

24	MA I	Jyoti Gonsalves		
25	MA I	Gina Babo		for Gina
26	MA-I	Alisbet Moulana		Alisbet
27	MA I	Neha D. Lestika		Neha Lestika
28	MA-I	Walhi Gankar		Walhi Gankar
29	MA-I	Poeluy Pavia		Poeluy Pavia
30	MA - II	Lurida Parasols.		Lurida Parasols.
31	MA - II	Zeba Khan		Zeba Khan
32	MA - II	Saes Shaikh		Saes Shaikh
33	MA - II	Rajal B. Chedankar		Rajal Chedankar
34				
35				
36				
37				
38				
39				
40				

7	MA II	Raveena D'Souza	Raviya
8	M.A - II	Shwancia Costa	Rada
9	M.A - II	Kensha Barbosa	Barbosa
10	MA - II	Shameen Noronha	Alfonso
11	MA - II	Bhakti Deshpande	Agalini
12	MA - II	Shivani Kery	Kery
13	MA - II	Pallavi Pais	Pallavi
14	MA - II	Valeria Medeira	Valeria
15	MA II	Reshma - Fernandes	Reshma
16	MA - II	Fauzia B. Ali	Fauzia
17	MA - II	Fahad Khanam	Fahad
18	MA II	Krushika Pagni	Pagni
19	MA I	Monita Ahas	Bina
20	MA I	Tahira Baneto	T. Baneto
21	MA - I	Shwini Ananda Shukla	Shwini
22	MA I	Vanora Paduco	Vanora
23	MA - I	Suman Miranda	Suman

11. ACTIVITY ATTENDANCE FORMAT

Carmel College of Arts, Science and Commerce

Department of Business (B.C.) Activity: Guest lecture/ Expert lecture/ Career guidance and others

Date: 21st June 2019 Time/Duration: 2 Hours

Name of the Facilitator/guest speaker: JULIANNE MORGAN / SARA FERNANDES Designation of the Facilitator/Speaker: _____

Topic: COMMERCIAL SEXUAL EXPLOITATION: REALITY AND CHALLENGES Attended by 34 (number) students

CC/ADMIN/Annex-38
REV: 01
DATE: 16/08/2018
Page 01 of 01

S.No	Class/ Designation	Name	Signature
1	B.A - II	Sarika Pereira	
2	B.A - I	Jayvin Vaz	
3	"	Nilina Andrade	
4	"	Daniela Fernandes	
5	"	Pallavi Pachte	
6	"	Mevali Prabha	

Topic:- Commercial Sexual Exploitation: Rehabilitation & Challenges

On 16th August, 2019 Ms. Juliana Lohar & Ms. Sibyl Fernandes from ARZ (Anyay Rahit Zindagi) conducted a workshop on victims of commercial sexual exploitation, rehabilitation and challenges encountered in counselling victims of CSE. A video titled 'Mandi' was screened to bring to awareness the plight of the victims.



Julia

11. ACTIVITY ATTENDANCE FORMAT

Carmel College of Arts, Science and Commerce

Department of Business (B.C.)

Activity: Guest lecture/ Expert lecture/ Career guidance and others

Date: 28th February 2020

Time/Duration: 2 Hours

Name of the Facilitator/guest speaker: JOAN REBELLO

Designation of the Facilitator/Speaker:

Topic: Essential Soft Skills for Career Success

Attended by 31 (number) students

CC/ADMIN/Annex-38
REV: 01
DATE: 16/08/2018
Page 01 of 01

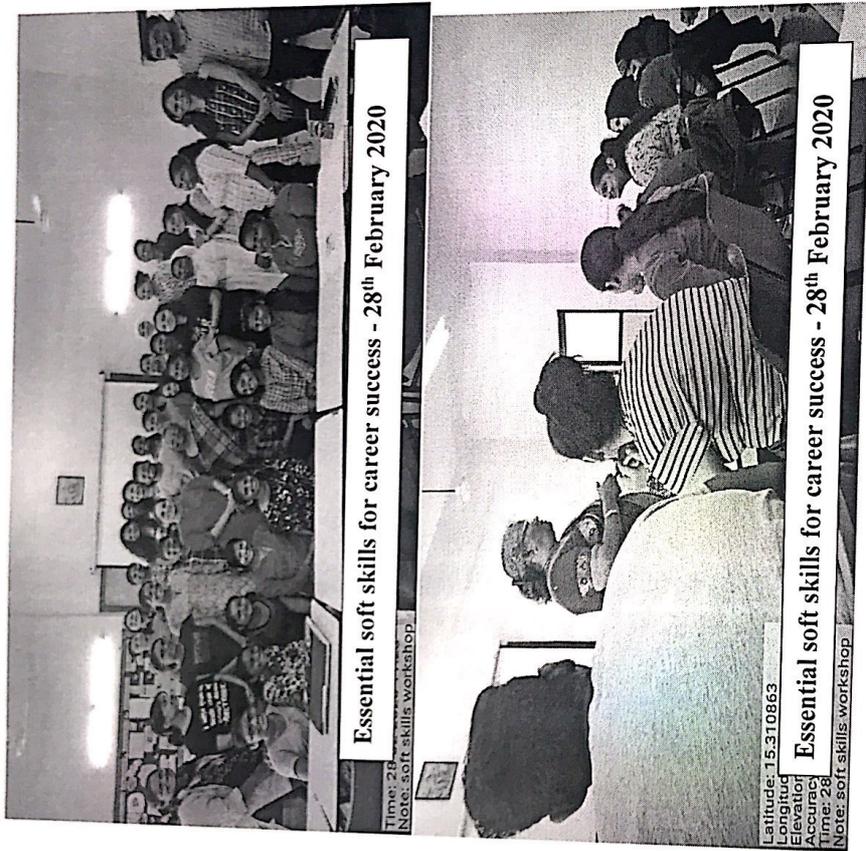
S.No	Class/ Designation	Name	Signature
1	MA -II	Saika Pereira	[Signature]
2	MA II	Jeyroin Vaz	[Signature]
3	MA II	Daniella fernandes	[Signature]
4	MA II	Nehina Andrade	[Signature]
5	MA II	Pallavi Fualte	[Signature]
6	MA -II	Safa Shaikh	[Signature]

7	MA - Part II	Manali Prabhu	
8	MA - II	Zuzancia Costa	<u>Costa</u>
9	MA - II	Kenisha Barbosa	<u>Barbosa</u>
10	MA - II	Raveena D'souza	<u>D'souza</u>
11	MA - II	Shameen Noronha	<u>Noronha</u>
12	MA - II	Bhakti Deshpande	<u>Deshpande</u>
13	MA - II	Shivanikeny	<u>Shivanikeny</u>
14	MA - II	Pallavi Ais	<u>Pallavi Ais</u>
15	MA - II	Fozziya B. Ali	<u>Fozziya B. Ali</u>
16	MA - II	Fadjet Khomam	<u>Fadjet Khomam</u>
17	MA - II	Krutika Paggi	<u>Paggi</u>
18	MA - I	Monita Dias	<u>Dias</u>
19	MA - I	Tahira Baneto	<u>T. Baneto</u>
20	MA - I	Elaine Amade Fuchada	<u>Fuchada</u>
21	MA - I	Jofea Gonsalves	<u>Gonsalves</u>
22	MA - I	Gina Lobo	<u>Lobo</u>
23	MA - I	Vanessa Pacheco	<u>Pacheco</u>

24	MA -I	Suman Niranda.	
25	MA-I	Nidhi Gaurkar	Shruti
26	MA-I	Neha D. Lettika	(Ranika)
27	MA-I	Nishat Moulana	Astika
28	MA-I	Leelaj Pereira	(Anilika)
29	MA - II	Linda Parado	(Anika)
30	MA - II	Zeba Khan	(Anika)
31	M.A. - II	Rajal G. Chodankar	(Anika)
32			
33			
34			
35			
36			
37			
38			
39			
40			

Topic: Essential soft skills for career success

On 28th Feb 2020 a workshop was conducted by Mrs. Joan Rebello on Essential soft skills for career success. Ms. Rebello highlighted the importance of credibility, emotional intelligence and the 7 habits by Stephen Covey. The workshop was attended by M/A psychology students.



Handwritten signature

2017-18.

Date	Receipt No	Class	Names	Amount
2/5/17	263		Pooja Kadam	2000
				2000
25.5.17	273	SYBSc	Anehan Kauthika ✓	2000
	274	SYBA	Soares Melia ✓	2000
	275	"	Fernandes Macqueen JV	2000
	276	"	Anistee S. ✓	2000
	277	"	Fernandes Meloni ✓	2000
	278	"	Laxvi Dattaram Chasi ✓	2000
	279	"	Naik Siddhi ✓ ✓	2000
	280	"	Phadte - Shivani ✓ ✓	2000
				16000
31.5.17	287	SYBA	Barnetto Shubana ✓	2000
	288	SYBSc	Tanawade Sonali S ✓	2000
	291	SYBlom	Selza Colaco ✓	2000
	294	SYBSc	Dias Naoni ✓	2000
	296	SYBlom	Pereira Maziah ✓	2000
	297	SYBSc	Alita Monteiro ✓	2000
	298	SYBlom	Rebello Rubin A ✓	2000
	299	"	Fernandes Simone H ✓	2000
	300	"	Pereira Janica Gioratti ✓	2000
	301	SYBSc	Agness Miana Pereira ✓	2000
	305	SYBA	Rodrigues Hazel Stansia ✓	2000
	306	SYBSc	Greenkari Sneha Deepak ✓	2000
	307	SYBA	Pinto Venessa Agnido ✓	2000
	308	SYBSc	Chasi Vandana Ankush ✓	2000
	309	SYBA	Velanie Fernandes ✓	2000
	313	SYBlom	Rao Subhaya ✓	2000
	318	SYBlom	Fernandes Swibel ✓	2000
	320	SYBSc	Marakala Seema Shivaram ✓	2000
	321	SYBSc	Debey Rajeshree S.A ✓	2000
				38000
1.6.17	327	SYBlom	Sequeira Felanie Mary ✓	2000
	328	SYBA	Consalves Michelle Joana ✓	2000

Date	Receipt No	Class	Names	Amt (Rs).
				4000
6.17	331	syBsc	Kidiyoor Asna ✓	2000
	333	syBlom	Dias Stafni ✓	2000
	339	syBlom	Pagui Rameshwar R ✓	2000
	340	"	Atira S. Nair ✓	2000
	343	syBlom	Melo Meshy ✓	2000
	344	syBA	Shubert Pereira ✓	2000
	345	syBSC	Naik Anjali Ashok ✓	2000
	350	syBlom	K. Sushma ✓	2000
	354	syBSC	Vaz Druima Julica ✓	2000
	356	syBlom	Canelo Aislina Marlisa ✓	2000
	357	syBsc	Sriyanka Nayak ✓	2000
	358	syBA	Dourado Joylen ✓	2000
	361	syBA	Furilado Elaine Amanda ✓	2000
	363	syBA	Rodrigues Vesina Jaysheda ✓	2000
	365	syBA	Andreia Fernandes ✓	2000
	367	syBA	Lobo Giina Anne ✓	2000
	368	syBA	Gonsalves Jofina N ✓	2000
	369	syBA	Narvekar Shravni ✓	2000
	370	syBA	Carvalho Tenesia ✓	2000
	372	"	Dias Nana Piety ✓	2000
	374	syBSC	Fernandes Enida m ✓	2000
	377	syBA	Fernandes Tracy ✓	2000
	378	"	Monteiro Ponisha ✓	2000
	379	"	Da Cruz Marushka ✓	2000
	381		Fernandes Kimberly	52000
6.17	384	syBA	Nashipudi Rubiya ✓	2000
	385	syBSC	Naik Pradnya ✓	2000
	386	syBlom	Dishel B. Fernandes ✓	2000
	387	"	Colaco Ravistena M ✓	2000
	388	syBA	Colaco Swetal ✓	2000
	389	syBlom	Vaz Andrea ✓	2000
	390	"	Shaikh Raigina ✓	2000

Date	Receipt No.	Class.	Names	Amt
				18000
	451	SyBSc	Fernandes Valeri ✓	2000
	452	SyBSc	Briana Barbosa ✓	2000
	453	"	Pardey Neha ✓	2000
	454	SyBA	Fernandes Juvenhal ✓	2000
	456	SyBSc	Fernandes Jennisa ✓	2000
	459	SyBA	Fernandes Enisha F ✓	2000
	461	SyBA	Mazeze Chloe Haridiana ✓	2000
	463	SyBSc	Kadam Divya A ✓	2000
	464	SyBA	Fernandes Valencia ✓	2000
	465	SyBlom	Castanha Steffy Annie ✓	2000
	467	SyBA	Hoojari Niharika M ✓	2000
	468	SyBlom	Soorles Sneha G ✓	2000
	469	"	Shaikh Kamrunnissa Subeen ✓	2000
	470	SyBA	Moraes sweta ✓	2000
	471	SyBlom	Barietto Magel ✓	2000
				48000
6.17	474 ✓	SyBA	Fernandes sweetly P ✓	2000
	475	SyBSc	Anushka Priya Dias ✓	2000
	478	SyBA	Braganza Viciana ✓	2000
	480	SyBA	Barietto shesyl ✓	2000
	486	SyBA	Vaz Nayshiral M ✓	2000
	487	SyB.Sc	Fernandes Nazia ✓	2000
	489	SyBSc	Rashida Bergawan ✓	2000
	491	SyBSc	Panickar Athira S ✓	2000
	492	SyBSc	Fernandes Marittha ✓	2000
	493	SyBA	Fernandes Shaina ✓	2000
	495	SyBA	Pinto Merlin shesyl ✓	2000
	496	SyBA	Braganza Priyanka ✓	2000
	497	SyBSc	Gaunkar Vanlanka ✓	2000
	498	SyBSc	Parab Sharmila ✓ ✓	2000
	499	SyBA	Rebello Lorina ✓	2000
	502	SyBA	Carvalho Seltia Baby ✓	2000

12

SYBA - III

SY. B. Com - 54

SY. B. Sc - 67

$$232 \times 2000 = 464000$$

$$- \frac{460000}{40000}$$

25 students

Date	Receipt No	Class	Names	Amt
	391	SYBA	Abrahames Joyce ✓	14000 2000
	392	SYBSC	Barreto Quency ✓	2000
	395	SYBlom	Antao Monica ✓	2000
	398	SYBSC	Tejasvec Alias Divita ✓	2000
	399	SYBA	Perreira Joyency R ✓	2000
	400	SYBA	Vaz Scarlett ✓	2000
	403	SYBlom	Gosavi Narayan Sunita ✓	2000
	404	SYBSC	Kinlekar shwiti J ✓	2000
	407	SYBSC	Celao Leny Francisca ✓	2000
	409	SYBlom	Fernandes Francisca ✓	2000
	413	SYBA	Tahira Carmen Barreto ✓	2000
	415	SYBA	Naik Vanita Suresh ✓	2000
	417	SYBSC	Gregja Retto ✓	2000
	418	SYBA	Miranda cynora ✓	2000
	421	SYBA	Quadros Clarissa ✓	2000
	423	SYBlom	Shaikh Afzin ✓	2000
	426	SYBA	Rebello Francisca ✓	2000
	428	SYBlom	Branganca Jolita Michelle ✓	2000
	431	SYBSC	Coosta Rosha ✓	2000
	432	SYBSC	Achasi Namrata B ✓	2000
	434	SYBA	Gama Myra ✓	2000
	435	"	Fernandes Sensla ✓	2000
	437	SYBlom	Coimbra Lizna ✓	2000
				60000
3.6.17	438	SYBA	Pastichari Tanvi P ✓	2000
	439	"	Perreira Sweta ✓	2000
	441	SYBA	Graonkar Balkar G ✓	2000
	445	SYBlom	Maria Duning Fernandes	2000
	446	SYBA	Fernandes Leonita ✓	2000
	447	SYBA	Fernandes Jesida ✓	2000
	448	SYBSC	Monteiro Viena ✓	2000
	449	"	Kolmekar shivani ✓	2000
	450	SYBA	Vast Gitanjali G. ✓	2000

Date	Receipt No	Class	Names	Amount
8.6.17	579	SyBlom	Rebello Elwira A ✓	2000
	583	SyBlom	Fernao Syntia ✓	2000
	584	SyBSC	Araujo Perina R ✓	2000
	586	SyBA	Rodrigues Alpha S ✓	2000
	588	SyBlom	Colado Linda ✓	2000
	593	SyBlom	Pedrekar Poonina ✓	2000
	595	SyBlom	Clark Melissa Filomena ✓	2000
	596	SyBA	Mariyam Tansecha ✓	2000
	597	"	Sonali Sawant ✓	2000
	599	SyBlom	colaco Charlotte ✓	2000
	601	SyBSC	Rodrigues Clovie Ranec ✓	2000
	605	SyBA	ceelho Wendy Snoevy ✓	2000
	606	SyBSC	Rodrigues Jencia ✓	2000
	607	SyBA	Fernandes Jencia ✓	2000
				28000
9.6.17	613	SyBSC	Faria Judy Franlina ✓	2000
	614	SyBSC	Ashitekar Georgeyee ✓	2000
	625	SyBSC	De Melo Aurea Cleophas ✓	2000
				6000
10.6.17	627	SyBA	Mahale Ramya Satyanarayan ✓	2000
	628	SyBSC	Fernandes Venessa ✓	2000
	629	SyBA	Fernanda Viena Manjo ✓	2000
				4000
11.6.17	636	SyBA	Varghese Naveera ✓	2000
	639	SyBSC	Mabel Paulette Alves ✓	2000
	641	SyBA	De sa Alayne Judas	2000
	642	"	Tejappanewari Priya ✓ ✓	2000
				8000
12.6.17	664	SyBA	De souza Hansie Anca ✓	2000
	665	SyBlom	Tavores Alisha ✓	2000
	669	SyBA	Dessai Mahadevi ✓	2000
	672	SyBA	Kalekar Shriyanka K ✓	2000
	677	SyBlom	Kasarpurkar Shantika ✓	2000
				10000

Date	Receipt No.	Class	Names	Amount
				32000
	508	syBSc	Fernandes Ciana Selca ✓	2000
	515	syBA	Chilaka Mohini ✓	2000
	523	syBSc	Fernandes Precila	2000
				38000
7.6.17	525	syBA	Novais e Barca Melena ✓	2000
	526	"	Subhani Fatimah M ✓	2000
	528	"	Shah Afifa Usen ✓	2000
	530	"	Gihulam Nabi Shaikh Sara ✓	2000
	531	"	Mandekar Sanjanna Tukaram ✓	2000
	532	"	Dias Anaida Elodia ✓	2000
	538	syBSc	Fernandes Venzila C ✓	2000
	541	syBSc	Shaikh Zainab Bi ✓	2000
	543	syBlom	D'silva Sasha Valanka ✓	2000
	544	"	Estibeiro Adria ✓	2000
	545	syBA	Braganza Chikita ✓	2000
	547	syBlom	Basista Venushka ✓	2000
	548	"	Fernandes Solferida ✓	2000
	551	syBSc	Rodrigues Deusilla G ✓	2000
	555	syBlom	Almeida Ninoshka S ✓	2000
	556	"	Fernandes Velaoy C ✓	2000
	559	syBSc	Coutinho Dion Carnd ✓	2000
	560	syBlom	Nelip Tariya Lakam ✓	2000
	561	"	Sebastian Recno M ✓	2000
	563	syBA	Sheikh Yasmin Faizal ✓	2000
	565	"	Walika Khotiza A ✓	2000
	566	"	Vaz Swibel Heta ✓	2000
	567	"	Shek Samecha Y ✓	2000
	569	syBSc	Andrade Anisha EV	2000
	571	syBSc	Rodrigues Elrifa C ✓	2000
	572	syBA	Mecna Sayed Salim ✓	2000
	573	syBSc	Gromes Christabelle ✓	2000
				54000

Date	Receipt No.	Class	Names	Amount
29.6.17	756	SYBSC	Pillai kavya Gopenth	2000
29.	757	SYBA	D'souza Denie	2000
	758	SYBA	D'silva Tina	2000
	759	SYBlom	Valancia Casvelho	2000
	760	SYBSC	D'souza Jesvdy	2000
	761	SYBSC	D'souza Mavilia	2000
	762	SYBA	D'souza Vallesy A	2000
	763	SYBA	Vailanka D'souza	2000
				16000
30.6.17	787	SYBlom	D'souza Sansid Fatima	2000
				2000
3.7.17	810	SYBA	Continho Donna	2000
				2000
8.7.17	826	SYBA	Raju Ashwini	2000
				2000
	855	SYBlom	Colau Reema	2000
	622	SYBA	Mittbaukar Ankita	2000
	624	SYBA	Fernandes Rovda	2000
	625	SYBSC	Naik Sanchita	2000
	621	SYBSC	Shaik Farhana	2000
	623	SYBA	caelho Ftensia	2000
	662	SYBSC	vaz Prceida	2000
	381	SYBlom	Fernandes Kimberly	2000
	850	SYBA	Fernandes Julika Jessa	2000
229				18000
			TOTAL	458000
	851	SYBA	Viena Nickida Fernandes	2000
	852	"	Rebello Valancia	2000
	853	"	Fernandes Melissa Steppy	2000
	854	"	Fernandes Floyd	2000
				466000
			Less Refund	2000
			Total	464000

Date	Receipt No.	Class	Names	Amount
14.6.17	678	SYBA	Tambawkar Suchita S	2000
	680	SYBlom	warcaly Teresa Dias	2000
	684	SYBSC	Vishwakarma Rimjhim	2000
	687	SYBSC	Costa Tania Piedade	2000
	688	SYBSC	Fernandes Alxia Julia	2000
	689	"	Godinho Aviva Azid	2000
				12000
15.6.17	691	SYBA	Rodrigues Shylan Mexlyn	2000
	692	SYBSC	Rebello Samiran Genevieve	2000
	693	"	Gomes Tanuja Testeza	2000
	694	SYBA	Gomes Larissa	2000
	699	SYBSC	Braganza KrisPearl	2000
	704	SYBA	Bazette Frangila	2000
	705	"	Nagawat Sangecta K	2000
	706	"	Pedrickar Rachel Vilhas	2000
	707	"	Fernandes Denisha Briesila	2000
	712	SYBlom	Velika Pedro D'souza	2000
	713	SYBA	Sawant Tabaulikar Usimisha	2000
	716	SYBA	Payal Bombhosle	2000
	717	SYBlom	Continho Lisanne	2000
	718	SYBA	Goes Jesmina	2000
				28000
19.6.17	719	SYBA	Seidal Pericira	2000
	730	SYBA	Elvina Dias	2000
				4000
22.6.17	735	SYBlom	Naik Ayushi Ajay	2000
				2000
27.6.17	746	SYBSC	Gonsalves Amanda	2000
	747	SYBA	Naik Smiti Baban	2000
				4000
28.6.17	748	SYBlom	D'Costa Slyza Fransca	2000
	751	SYBA	Barbosa Neveesa	2000
	753	SYBSC	D'souza Limora	2000
				6000

2016-17

Date	Receipt No.	Class	Name	Amount
9.5.16	010	SYBlom	Rodrigues Leesha	2000/-
	011		Soares Kalē	2000/-
	012		De Souza Dielle	2000/-
	013		Bragansa Renisha	2000/-
	014		Souza Dias Aulā	2000/-
	015		Rodrigues Gonsha	2000/-
	016		Vasco Da Gama Amelia	2000/-
	017		Saifoddin Fatima Sayed	2000/-
	018		Shah Savilā	2000/-
	019		De Souza Grisha N.	2000/-
	020		Rego Glenna	2000/-
	021		Vaz Semon M.	2000/-
	022		Borkar Arisha Anil	2000/-
	023		D'Mello Eva Maria	2000/-
	024		Dias Iona	2000/-
	025		Gomes Handrilla	2000/-
	026		Da Costa Vienna	2000/-
	027		Fernandes Nikilā	2000/-
	028		Vaz Nadia Leena	2000/-
	029		Vaz Clancy Fatima	2000/-
	030		Carvalho Manifa	2000/-
	031		Fonseca Clency	2000/-
	032		Caudozo Shamirā	2000/-
	033		Kattimani Sangilā	2000/-
	034		Tiwari Pratibha	2000/-
	035		Abranches Florida	2000/-
	036		Dias Myra	2000/-
	037		Fernandes Anastia	2000/-
	038		Coelho Theresa	2000/-
	039		Roy Anupam	2000/-
	040		D'Souza Jasmirē	2000/-
	041		Fernandes Cressida	2000/-
	042		Albuquerque Felicia	2000/-
	043		Silva Serena	2000/-
				68000

Date	Receipt No.	Class	Name	Amount
				68000
	044		Goes Anusha J.	2000
	045		Calado Princy	2000
	046		Goes Reema	2000
	047		Fernandes Jeneviana	2000
	048		Dias Everley	2000
	049		Gomes Janice	2000
	050		Fernandes Joyna	2000
	051		Sorang Anita	2000
	052		Fernandes Xaviela	2000
	053		Prasad Suman	2000
	054		Rodrigues Nickosha	2000
	055		Vaz Steffi	2000
	056		Barrelto Bellerophon	2000
	057		Colao Joycy	2000
	058		Moniz Marya	2000
	059		Albuquerque Manisha	2000
	060		Pinto Flamica	2000
				102000
15/16	061	SYBSC	Shama Raksha	2000
	062		Naik Priyanka	2000
	063		Rodrigues Flossy	2000
	064		Tulaskar Barde Anisha	2000
	065		Dadibai Asma N.	2000
	066		Gunagi Archana	2000
	067		Dessai Ashavela Anil	2000
	068		Coutinho Flacila	2000
	069		Das Neves Jerushia	2000
	070		Barrelto Kimberly	2000
	071		Fernandes Cydia	2000
	072		Masurkar Heena	2000
	073		Mary Jomy	2000
	074		Fernandes Paloma	2000
	075		Vaz Neslyn	2000
	076		Naik Sarika D.	2000
				32000

Date	Receipt No.	Class	Name	Amount
10/5/16				32007
	077		Kamble Veenilā	2000
	78		Yadav Pratima	2000
	79		Pellai Sreelakshmi	2000
	80		Viegas Sashā	2000
	81		D'Souza Tamika	2000
	82		Mascarenhas Sweety	2000
	83		Fernandes Hindsey	2000
	84		Da Costa Shumona	2000
	85		Verlekar Purnavie	2000
	86		Badigar Sangeelā	2000
	87		Sawant Desai Rutuja	2000
	88		Chimmalgi Veena	2000
	89		Priyanka	2000
	90		Shah Sabira Khurshid	2000
	91		Rato Shwela Elvita	2000
	92		Dias Clariza Stanza	2000
	93		Khatun Reshma Nadaf	2000
	94		Mittygar Bibi aisha	2000
	95		Almeida Lucy Francisca	2000
	96		Quadros Melisha	2000
	97		Padwalkar Xitija	2000
	98		Singh Komal	2000
	99		Naik Sukhada Surendra	2000
	100		Komarpant Priya	2000
	101		Naik Sweta	2000
	102		Barbosa Froila	2000
	103		Miranda Infnitā	2000
	104		Gomes Chriselda	2000
	105		Patil Bhagyashri	2000
	106		De Souza Ciyalda	2000
	107		Afonso Swize/	2000
	108		Fernandes havita	2000
	109		Dias Ninoshka	2000
				9800

Date	Receipt No	Class	Name	Amount
5.16	110		Fernandes Lanza	2000
	111		Dhage Soumya	2000
	112		Barretto Nazima	2000
	113		Fernandes Pricila	2000
	114		Chari Priyanka	2000
	115		George Judiya	2000
				110000
5.16	116	SYBA	Fernandes Sherly	2000
	117		Pinto Heloise	2000
	118		Fernandes Valencia	2000
	119		Vaz Nadia	2000
	120		Da Costa Charlotte	2000
	121		Barreto Abigail	2000
	122		Arsingeri Seeta	2000
	123		D'Souza Rareena	2000
	124		Monteiro Reema	2000
	125		Barbosa Kenisha	2000
	126		Jadar Rekha	2000
	127		Ekawade Shrutti	2000
	128		Quadros Arantxa	2000
	129		Gomes Darrylene	2000
	130		Nunes Alcacoas Anthea	2000
	131		Dias Katia Rita	2000
	132		Fernandes Tecuna	2000
	133		Moura Bleze	2000
	134		Fustado Rosehera	2000
	135		Terkey Mariela	2000
	136		Fernandes Larissa	2000
	137		Costa Joerela	2000
	138		Satarkar Rucha	2000
	139		Mahale Ramya	2000
	140		Shirodkar Shreya	2000
	141		Madhavani Sonam	2000
	142		Carvalho Frenzia	2000
				54000

Date	Receipt No.	Class	Name	Amount
				5400
11.5.16	143	SYBA	Rebello Euclea	2000
	144		Fernandes Priya	2000
	145		Cardozo Eltsha	2000
	146		Kerkar Prarabdhā	2000
	147		D'Souza Millan	2000
	148		Halagekar Veenashree	2000
	149		Xetkar Archana	2000
	150		Almeida Maize	2000
	151		Parado Lurida	2000
	152		Afonso Josury	2000
	153		Mascarenhas Lilly	2000
	154		Fernandes Siezel	2000
	155		De Souza Pricila	2000
	156		Colaco Princey	2000
	157		Sequeira Homisha	2000
	158		Vaz Sherralite	2000
	159		Tandel Diksha B.	2000
	160		Barretto Agnelta	2000
	161		Fernandes Mimsa	2000
	162		D'Souza Nelusha	2000
	163		Cardozo Sohelā	2000
	164		Da Cruz Elaine	2000
	165		Rodrigues Anjali	2000
	166		Dias Queeny	2000
	167		Da Costa Remyta	2000
	168		Valadares Jewella	2000
	169		Perera Iren Perpetual	2000
	170		Kakde Rathica	2000
	171		Miranda Sumaira	2000
	172		Dias Sepra	2000
	173		Sayed Heena Wali	2000
	174		Costa Livancia	2000
	175		Dias Alitalia	2000
				12000

Date	Receipt No.	Class	Name	Amount
				120000
	176		Telles Amanda	2000
	177		Sadekar Neha	2000
	178		Rodrigues Swizele	2000
	179		Fernandes Corine	2000
	180		Rodrigues Melica	2000
	181		Dias Swinee	2000
	182		Fernandes Levila	2000
	183		Carvalho Melani Aury	2000
	184		Naik Purva P.	2000
	185		Yalgukar Yogeela	2000
	186		D'Silva Alida	2000
	187		Crasla Havisha	2000
	188		Furlado Kimberly	2000
	189		Rodrigues Kimberley	2000
	190		Grauai Abigail E.	2000
	191		Caudoro Lancia	2000
	192		Dias Hazel Godreen	2000
	193		Barretto Venessa Marsha	2000
	194		Rodrigues Venetia	2000
	195		Pinheiro Diana	2000
	196		Lobo Manua	2000
	197		Menezes Gwen	2000
	198		Rebello Priscila	2000
	199		Silva Gresila	2000
	200		Heremath Swathi	2000
	201		Kanyal Riyana	2000
	202		D'losla Swanbilda	2000
	203		Afonso Cynora	2000
	204		Rodrigues Felina	2000
	205		Barretto Yeslida	2000
	206		Rebello Polina	2000
	207		Fernandes Monica	2000
	208		Diniz Danila	2000
				186000

Date	Receipt No	Class	Name	Amount
				186000
11-5-16	209		Perera Lydia	2000
	210		Borkar Apoorva	2000
	211		Mahar Prajaktā	2000
	212		Gauns Akshaya A.	2000
	213		Mascarenhas Estrin	2000
	214		Perera Nayshir	2000
	215		Gonsalves Cynora	2000
	216		Gadkar Bindiya	2000
	217		Dias Perera Caroline	2000
	218		Fernandes Elvy Jaslin	2000
	219		Andrade Venessa	2000
	220	SYBSc	Gawade Bhakti	2000
	221		Mulla Nihfarah	2000
	222		Nair Monisha	2000
	223		Tikal Ruhina	2000
	224		Gawade Vidhya	2000
	225		Tari Madhavi	2000
	226	SYBcom	Bhati Bharati	2000
	227		Shaikh Sumran	2000
	228		Fernandes Sanchia	2000
	229		Rebello Gretchen	2000
	230		Fernandes Annushka	2000
12-5-16	231	SYBA	Gomes Nazni	2000
	232	SYBSc	Yadav Poonam	2000
	233	"	Yadav Priyanka	2000
	234	SYBA	Ponja Angela Jasicca	2000
	235	SYBcom	Karekar Varsha Mahesh	2000
	236	SYBSc	Saini Nidhi	2000
	237	SYBA	Parvin Affrin	2000
				244000
13/5/16	238		Tigga Suman	2000
	239		Kotharkar Pritam Kishor	2000
	240		Tiwari Kirti	2000

Date	Receipt No.	Class	Names	Amt (Rs)
13/5/16	241		Jernandes Ashwarya	6000
	242	SYBA	Tyagi Khyati	2000/-
	243	SYB-Sc	Mishra Priya	2000/-
	244		Murthi Parvathi Shriram	2000/-
	245	SYBA	Shaikh Sabeena	2000/-
				16000/-
28-5-16	246		Gomes Frenia	2000/-
	247	SYBA	Miranda Bevinda	2000/-
1-6-16	248	SYBSc	Sahani Sunanda	2000/-
1-6-16	249	SYBA	Moronha Shameen	2000/-
1-6-16	250	SYBA	Sisodiya Preetsha S. Singh	2000/-
				6000/-
3-6-16	251	SYBA	Kitlawala Dhruv R.	2000/-
	252	SYBSc	Katania Jyoti Sureshchandra	2000/-
				4000/-
5-7-16	253	SYBA	Furtado Zinaida Maria	2000/-
checked	254	SYBSc	Priyanka Yadav	2000/-
				4000/-
6-1-17	255	SYBA	Nilab Dost	2000
	256	"	R. H. Tsilavo	2000
	257	"	R. M. Annick	2000
	258	"	Mohira Turonova	2000
	259	"	Janka Gordos	2000
	260	"	Shivani Karki	2000
				12000
3-17	261		Sabrina Goncalves	2000
	262		Parab Sai Prabhakar	2000
				4000

SELF DEVELOPMENT COURSE					
Sr.No.	Name of the student	Class	Fees	Carmel Society	Pd to Ankita Das
1	Mariyam Tanseeha	BA	1800	100	1700
2	fernandes venessa agnes	BSC	1800	100	1700
3	Tanawade Sonali Sanjay	BSC	1800	100	1700
4	CHARI VANDANA ANKUSH	BSC	1800	100	1700
5	FERNANDES EVA MANSUETA	BSC	1800	100	1700
6	VALON FERNANDES	BSC	1800	100	1700
7	FERNANDES ROUELLA	BA	1800	100	1700
8	MANDEKAR SANJANA TUKARAM	BA	1800	100	1700
9	BRAGANZA CHIKITA FRANXA	BA	1800	100	1700
10	Vaz Swizel Flita	BA	1800	100	1700
11	Fernandes Macqueen Joaquina	BA	1800	100	1700
12	PEREIRA FIONA OPHELIA NATTY	BSC	1800	100	1700
13	MARAKALA SEEMA SHIVARAMA	BSC	1800	100	1700
14	SOARES MELCIA	BA	1800	100	1700
15	BARRETTO FRENZILA	BA	1800	100	1700
16	Sanriel D'Souza	BCOM	1800	100	1700
17	CARVALHO SELFIA BABY	BA	1800	100	1700
18	COELHO WENDY SNOWY	BA	1800	100	1700
19	SHAIKH AFRIN SHARFUDDIN	BCOM	1800	100	1700
20	estibei adria	BCOM	1800	100	1700
21	Barreto Venoshka	BCOM	1800	100	1700
22	SHAH ALFIYA	BA	1800	100	1700
23	Araujo Perina	BSC	1800	100	1700
24	SUBHANI FATIMAH MOHAMMED ABDULLAH	BA	1800	100	1700
25	Rodrigues Rosann Rose	BCOM	1800	100	1700
26	RUBINA HAZEL REBELLO	BCOM	1800	100	1700
27	Clark Melissa Filomena	BCOM	1800	100	1700
28	ACHARI NAMRATA BALSUBRAMANI	BSC	1800	100	1700
29	HANCHINAL SUPRIYA SHANKAR	BSC	1800	100	1700
30	VELIP TANUJA LAXMAN	BCOM	1800	100	1700
31	Kumari mumata	BCOM	1800	100	1700
32	RODRIGUES JENCIA	BSC	1800	100	1700
33	BARBOSA NEVESA	BA	1800	100	1700
34	RODRIGUES VERINA JAYSHEELA XAVIER	BA	1800	100	1700
35	fernandes jencia teresa	BA	1800	100	1700
36	Quadros Clarissa	BA	1800	100	1700
37	SHEIKH KAMRUNNISSA ZUBER	BCOM	1800	100	1700
38	REBELLO FRANCA	BA	1800	100	1700
39	FERNANDES JENNISA	BSC	1800	100	1700
40	MORAES SWETA	BA	1800	100	1700
41	SAWANT SONALI KISHOR	BA	1800	100	1700
42	FERNANDES SIMONE HELEN LORENZA	BCOM	1800	100	1700
43	FERNANDES ANDREA	BA	1800	100	1700
44	Parsekar Tanvi	BA	1800	100	1700
45	fernandes jesida	BA	1800	100	1700
46	GODINHO AVIVA AZIEL	BSC	1800	100	1700
47	FERNANDES FLOYDA	BA	1800	100	1700
48	FARIA JUDY FRANLINA	BSC	1800	100	1700
49	PILLAI KAVYA GOPINATH	BSC	1800	100	1700
50	Rodrigues Clovie Renee	BSC	1800	100	1700
51	Vaz Presida	BSC	1800	100	1700
52	MELENI JOYES FERNANDES	BA	1800	100	1700
53	BRAGANZA KRISPEARL	BSC	1800	100	1700
54	ANUSHKA PRIYA DIAS	BSC	1800	100	1700
55	FERNANDES SENSIA	BA	1800	100	1700
56	AGNES MIANA PEREIRA	BSC	1800	100	1700
57	FERNANDES ROUSHELL MARUSHKA	BSC	1800	100	1700
58	Desouza Hansie Ancell	BA	1800	100	1700
59	NAIK PRADNYA ULHAS	BSC	1800	100	1700
60	Rodrigues Alpha Simran	BA	1800	100	1700
61	REBELLO GREEFA	BSC	1800	100	1700
62	FERNANDES SWEETY PAMLA	BA	1800	100	1700
63	Francesca Fernandes	BCOM	1800	100	1700
64	Gonsalves Michelle Joeana	BA	1800	100	1700
65	Rodrigues Elrifa Conny	BSC	1800	100	1700
66	ANCHAN KRITHIKA DAYANANDA	BSC	1800	100	1700
67	NAIK SRUTI BABAN	BA	1800	100	1700
68	ANTAO MONITA AGNELO	BCOM	1800	100	1700
69	Mahadevi Dessai	BA	1800	100	1700

94600

70	D'SOUZA JESVELY SERONA	BSC	1800	100	1700
71	Fernandes Velary Concy	BCOM	1800	100	1700
72	De Melo Aurea Cleophas	BSC	1800	100	1700
73	D'Souza Mavilia	BSC	1800	100	1700
74	Kulkarni Divesha Deepak	BA	1800	100	1700
75	GOMES LIZBETH KARIZA	BSC	1800	100	1700
76	Vaz Andrea	BCOM	1800	100	1700
77	Vast Gitanjeli Govind	BA	1800	100	1700
78	Gama Myra	BA	1800	100	1700
79	linda calado	BCOM	1800	100	1700
80	Fernandes Kimberly Janice	BCOM	1800	100	1700
81	D'SOUZA VAILANKA	BA	1800	100	1700
82	DIAS STAFNI	BCOM	1800	100	1700
83	MOURYA KOMAL BANKE LAL	BSC	1800	100	1700
84	REBELLO SIMRAN GENEVIEVE	BSC	1800	100	1700
85	BARRETO QUEENCY SOPHIA	BSC	1800	100	1700
86	KARAPURKAR SHRUTIKA SITARAM	BCOM	1800	100	1700
87	Fernandes Juvenchel Sisera	BA	1800	100	1700
88	FERREIRA VIENA MANJU	BA	1800	100	1700
89	Cardozo Savia Anna	BA	1800	100	1700
90	Coutinho Donna	BA	1800	100	1700
91	ALVES MABEL PAULETTE	BSC	1800	100	1700
92	velanie fernandes	BA	1800	100	1700
93	MELO MERCY	BCOM	1800	100	1700
94	CLEMENT JANESIA	BA	1800	100	1700
95	Barretto Shubana	BA	1800	100	1700
96	FERNANDES LEONTIA PERTILA	BA	1800	100	1700
97	FERNANDES PRICILIA	BSC	1800	100	1700
98	Braganca jolita michelle	BCOM	1800	100	1700
99	Fernandes Enida Mary	BSC	1800	100	1700
100	FERNANDES ENNISHA ENOSKA	BA	1800	100	1700
101	LOBO GINA ANNE	BA	1800	100	1700
102	Vaz Shalaine	BA	1800	100	1700
103	FERNANDES SHAINA	BA	1800	100	1700
104	NAIK VANITA SURESH	BA	1800	100	1700
105	SHAIKH KAIZINA A. KADAR	BCOM	1800	100	1700
106	NAIK SANCHITA UDAY	BSC	1800	100	1700
107	Joyency Rozeli Pereira	BA	1800	100	1700
108	NEHA PANDEY	BSC	1800	100	1700
109	VAZ SANIELLA VAILANKA	BA	1800	100	1700
110	Vaz Drima Julicia	BSC	1800	100	1700
111	Heredia Marize Chloe	BA	1800	100	1700
112	Fadte Seema Santosh	BSC	1800	100	1700
113	FERNANDES VENZILA CECILIA	BSC	1800	100	1700
114	VAZ SCARLETT MATILDA	BA	1800	100	1700
115	COLACO LENCY FRANCISCA	BSC	1800	100	1700
116	Almeida Ninoska Shamin	BCOM	1800	100	1700
117	ANDRADE ANISHA ETHELVINA	BSC	1800	100	1700
118	GAONKAR SNEHAL DEEPAK	BSC	1800	100	1700
119	fernandes swizel	BCOM	1800	100	1700
120	Ronisha Mabel Monteiro	BA	1800	100	1700
121	d'costa slyza francisca	BCOM	1800	100	1700
122	Dias Anaida Elodia	BA	1800	100	1700
123	Coutinho Dion Carmen	BSC	1800	100	1700
124	MASCARENHAS MABAL	BA	1800	100	1700
125	KOLMEKAR SHIVANI SANTOSH	BSC	1800	100	1700
126	FERNANDES ALRIA JULECA	BSC	1800	100	1700
127	TINA D'SILVA	BA	1800	100	1700
128	Fernandes Martha Shenaya Nicosia	BSC	1800	100	1700
129	D'SOUZA LIMORA NIONYKA	BSC	1800	100	1700
130	ALIFA MONTEIRO	BSC	1800	100	1700
131	Dias Elvina	BA	1800	100	1700
132	Gomes Tanuja Tereza	BSC	1800	100	1700
133	PEREIRA SEIDL SEABELL	BA	1800	100	1700
134	D'SOUZA CLENIE	BA	1800	100	1700
135	Maziah Pereira	BCOM	1800	100	1700
136	Fernandes Julika Jesa	BA	1800	100	1700
137	ANISREE.S.	BA	1800	100	1700
138	RODRIGUES SHYLAN MERLYN	BA	1800	100	1700
139	GOSAWI SUNITA NARAYAN	BCOM	1800	100	1700
140	COLACO RAVIRENA MARIA	BCOM	1800	100	1700
141	COSTA PIEDADE TANIA	BSC	1800	100	1700

142	Cynora Miranda	BA	1800	100	1700
143	braganca switzzy auria	BSC	1800	100	1700
144	VIENA NICKIDA FERNANDES	BA	1800	100	1700
145	PAGUI RAMESWARI RAJENDRA	BCOM	1800	100	1700
146	ABRANCHES JOYCEE	BA	1800	100	1700
147	DA CRUZ MARISHKA	BA	1800	100	1700
148	KADAM DIVYA AJEET	BSC	1800	100	1700
149	PEDNEKAR POORNIMA DINESH	BCOM	1800	100	1700
150	BRAGANZA VIEANA	BA	1800	100	1700
151	RUBINA COLACO	BCOM	1800	100	1700
152	Naik Siddhi Vassudev	BA	1800	100	1700
153	STEFFY ANNIE CASTANHA	BCOM	1800	100	1700
154	GAONKAR BALLIKA GANESH	BA	1800	100	1700
155	Solfrida Adelina Fernandes	BCOM	1800	100	1700
156	SHRAIYA KRISHNA KALEKAR	BA	1800	100	1700
157	GAUNCAR VAILANKA PLACIDA	BSC	1800	100	1700
158	DIAS NAOMI	BSC	1800	100	1700
159	DIAS NIANA PIETY	BA	1800	100	1700
160	Valencia	BA	1800	100	1700
161	REBELLO SHIELDA VANISHA	BSC	1800	100	1700
162	GOMES LARISSA	BA	1800	100	1700
163	PEREIRA NAOMI HAZEL	BSC	1800	100	1700
164	ROUSSEL CATHERINE BARRETTO	BSC	1800	100	1700
165	Vishwakarma Rimjhim Rambarai	BSC	1800	100	1700
166	Chari Laxvi	BA	1800	100	1700
167	NAGAWAT SANGEETA KALLINGRAO	BA	1800	100	1700
168	PINTO MERLIN SHERRY	BA	1800	100	1700
169	RODRIGUES HAZEL STANZIA	BA	1800	100	1700
170	BRAGANZA PRIYANKA PAMELA	BA	1800	100	1700
171	CRASTO MARIA LORETTA	BA	1800	100	1700
172	HEENA SALIM SAYED	BA	1800	100	1700
173	BARRETTO SHERYL	BA	1800	100	1700
174	Godinho Anuskha Joanne Tecla	BSC	1800	100	1700
175	Rao Supriya	BCOM	1800	100	1700
176	Furtado Elaine Amanda	BA	1800	100	1700
177	Gonsalves Jofira Nikita	BA	1800	100	1700
178	Seema Verenkar	BA	1800	100	1700
179	PHADTE SHIVANI LAKHOBIA	BA	1800	100	1700
180	Shuberl Pereira	BA	1800	100	1700
181	Fernandes Joanne Sharon	BA	1800	100	1700
182	GOMES CHRISTABELLE	BSC	1800	100	1700
183	PEREIRA ESTHER LIBERATA	BSC	1800	100	1700
184	Joylen Dourado	BA	1800	100	1700
185	FERRAO SYNTIA	BCOM	1800	100	1700
186	VALACIA REBELLO	BA	1800	100	1700
187	SEQUEIRA FELANIE MARY	BCOM	1800	100	1700
188	SOARES SNEHA GENISIA	BCOM	1800	100	1700
189	COSTA STEFFI ELLSA	BCOM	1800	100	1700
190	Pereira Sweta	BA	1800	100	1700
191	BARRETTO MAZEL	BCOM	1800	100	1700
192	BARBOSA BRIANA	BSC	1800	100	1700
193	COELHO FRANZIA VALANKA	BA	1800	100	1700
194	MITBAUKAR ANKITA DNYANESHWAR	BA	1800	100	1700
195	DENISHA BRESILA FERNANDES	BA	1800	100	1700
196	SAWANT SHRUTI DEEPAK	BSC	1800	100	1700
197	NAIK AYUSHI AJAY	BCOM	1800	100	1700
198	kinlekar shruti jairam	BSC	1800	100	1700
199	MESQUITA BRENDA	BCOM	1800	100	1700
200	GHULAPPANAVAR PREETI PARAPPA	BSC	1800	100	1700
201	COLACO SELZA	BCOM	1800	100	1700
202	CARVALHO VALANCIA	BCOM	1800	100	1700
203	FERNANDES STEPPY MELISA	BA	1800	100	1700
204	Fernandes Nazia	BSC	1800	100	1700
205	PINTO VENESA AGNELO	BA	1800	100	1700
206	Shaikh Farhana	BSC	1800	100	1700
207	KIDIYOOR ASMA	BSC	1800	100	1700
208	sharon johny	BSC	1800	100	1700
209	Rodrigues Drusilla Gracy	BSC	1800	100	1700
210	Colaco Swezal	BA	1800	100	1700
211	FERNANDES CIANA SELIZA	BSC	1800	100	1700
212	Tavares Alisha	BCOM	1800	100	1700
213	Rodrigues Naylyn	BSC	1800	100	1700

214 Colaco Reema	BCOM	1800	100	1700
215 Camelo Aislinn Marilisa	BCOM	1800	100	1700
216 PANICKER ATHIRA SANTHOSH	BSC	1800	100	1700
217 SHAIKH RIYANA	BSC	1800	100	1700
218 Coutinho Lisanne	BCOM	1800	100	1700
219 COSTA FANCIA	BA	1800	100	1700
220 PEREIRA JANICA GORETTI	BCOM	1800	100	1700
221 PAYAL BOMBHORE	BA	1800	100	1700
222 Reenu Margret Sebastian	BCOM	1800	100	1700
223 ZINA COUTINHO	BCOM	1800	100	1700
224 Fernandes Tracy	BA	1800	100	1700
225 DUBEY RAJESHREE SALENDRAKUMAR	BSC	1800	100	1700
226 sameena	BA	1800	100	1700
227 AHILA.S.NAIR	BCOM	1800	100	1700
228 WAVERLY TERESA DIAS	BCOM	1800	100	1700
229 SASHA VALANKA D SILVA	BCOM	1800	100	1700
230 NOVAIS E BARCA MELISSA INES	BA	1800	100	1700
231 k.sushma	BCOM	1800	100	1700
232 COLACO CHARLOTTE	BCOM	1800	100	1700
233 NAIK RIDDHI NAGU	BSC	1800	100	1700
234 Tamboskar Suchita Shamsundar	BA	1800	100	1700
235 NAVEENA VARGHESE	BA	1800	100	1700
236 TOPNO REENA	BA	1800	100	1700
237 Mendonza Charmaine Rebecca	BSC	1800	100	1700
238 tejappanavar priya yellappa	BA	1800	100	1700
239 NASHIPUDI RUBIYA KOUSAR	BA	1800	100	1700
240 CORREIA LIZMA	BCOM	1800	100	1700
241 SHAIKH ZAINAB BI	BSC	1800	100	1700
242 RAIKAR SONAM SHRIDHAR	BA	1800	100	1700
243 VRUSHALI SANJAY KAMBLE	BSC	1800	100	1700
244 Ambekar Tajasvee Alias Deveeta Devendra	BSC	1800	100	1700
245 sheikh yasmin fairoz	BA	1800	100	1700
246 Rebejo Lorina	BA	1800	100	1700
247 Rebello Elvina Anthony	BCOM	1800	100	1700
248 Patil Sharda Srikant	BSC	1800	100	1700
249 D'SOUZA VELLERY AURORA	BA	1800	100	1700
250 ASHTEKAR GARGEYEE VISHWAS	BSC	1800	100	1700
251 khotiza	BA	1800	100	1700
252 DISHEL B FERNANDES	BCOM	1800	100	1700
253 PARAB SHARMILA VASUDEV	BSC	1800	100	1700
254 GOES JESMINA	BA	1800	100	1700
255 Gulam Nabi Shaikh Sana Rafat	BA	1800	100	1700
256 Rebello Blossom Shiny	BA	1800	100	1700
257 NIHARIKA M HOOGAR	BA	1800	100	1700
258 Anchanal Ruksaar Rafik	BSC	1800	100	1700
259 Chilaka Mohini	BA	1800	100	1700
260 Harshita m. Deshmukh	BSC	1800	100	1700
261 Pednekar Reachel	BA	1800	100	1700
262 Pratiksha Sonawane	BSC	1800	100	1700
263 Maria Fernandes	BCOM	1800	100	1700
264 Rosha Crasto	BSC	1800	100	1700
265 Velika D'Souza	BCOM	1800	100	1700
266 Tenesia Carvalho	BA	1800	100	1700
267 NAGZERKAR SIDDHI SUBHASH	BSC	1800	100	1700
268 MEGHNA SURESH	BA	1800	100	1700
269 De Sa Alayne Judas	BA	1800	100	1700
270 Sawant Talaulikar Urmisha Uday	BA	1800	100	1700
271 FERNANDES BLOSSOM	BCOM	1800	100	1700
272 Tahira Carmen Barretto	BA	1800	100	1700
273 Vaz Nayshirl Maryann	BA	1800	100	1700
274 Sneha Kumari	BSC	1800	100	1700
275 Rashida Bagawan	BSC	1800	100	1700
276 Gaad Richa	BA	1800	100	1700
277 Narvekar Shravani Laxman	BA	1800	100	1700
		498600	27700	470900

SELF DEVELOPMENT COURSE					
Sr.No.	Name of the student	Class	Fees	Carmel Society	Pd to Ankita Das
278	NAIK ANJALI ASHOK	BSC	1800	100	1700
279	Monteiro Viona Perpetua De Menino Jesus	BSC	1800	100	1700
280	RODRIGUES ALFIA NEVINA	BSC	1800	100	1700
281	FERNANDES ROSALIN ROSARIO	BA	1800	100	1700
			7200	400	6800

Receipt at V. No. 38

9

27 August 2016

Receipt

Received with thanks from CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR
WOMEN a sum of Rs. 228900/- (Rupees Two Lakhs twenty eighty thousand nine hundred only)
towards
fees for conducting self development course for FY/TY/ B.A/B.Sc/B.Com students.

Regards,
Ms. Ankita Das



Ankita Das

(Receiver's signature)

Sr.No	Names of Students	Total	C.S Amount	Amount paid to Mrs. Ankita Das
SEM V AND SEM IV OF B.SC				
1	Amonkar Neha Gajanan	2200	100	2100
2	Annigeri Bibi Mariam	2200	100	2100
3	Faria Vailani Mercy	2200	100	2100
4	Bane Poonam Dattaram	2200	100	2100
5	Chipkar Ankita Ashok	2200	100	2100
6	Dos Santos Pearl	2200	100	2100
7	Fernandes Shona Weberly	2200	100	2100
8	Fernandes Kinosha Valencia	2200	100	2100
9	Kumari Pushpa	2200	100	2100
10	Kumari Mithila	2200	100	2100
11	Sonam Kumari	2200	100	2100
12	Pal Bijendri	2200	100	2100
13	Rodrigues Chriselda	2200	100	2100
14	Rebello Shavonne Maria	2200	100	2100
15	Raghava Tanya	2200	100	2100
16	RodriguesCybel Sakina	2200	100	2100
17	Rathod Anita Sitaram	2200	100	2100
18	Sawant Swati Anant	2200	100	2100
19	Sayed Husna Jabeen	2200	100	2100
20	Sood Khushboo	2200	100	2100
21	Ugrani Diksha Dharmendra	2200	100	2100
22	Zore Karishma Janu	2200	100	2100
23	Bhende Shubhra Bhiku	2200	100	2100
24	Dabolkar Arti Premanand	2200	100	2100
25	Kumbar Vijayalaxmi Hanamant	2200	100	2100
26	Barreto Anita	2200	100	2100
27	Chari Kavita Ramesh	2200	100	2100
28	Dias Blizel Blennie	2200	100	2100
29	Mehtaab Afreen	2200	100	2100
30	Seth Mohini	2200	100	2100
31	Verenekar Swathi	2200	100	2100
SEMESTER V AND VI OF B.A.				
1	Alfonso Rhea	2200	100	2100
2	Biswas Beauty Sanjay	2200	100	2100
3	Coutinho Ojvi Mourin	2200	100	2100
4	Da Costa Janice Rosaura	2200	100	2100
5	Dias Salrina Pelin	2200	100	2100
6	De Souza Danielle Chelsea	2200	100	2100
7	Fernandes Sibyl Helena Placida	2200	100	2100
8	Mary Fermy E.	2200	100	2100
9	Fernandes Janrifa	2200	100	2100
10	Gonsalves Joanna Jewella	2200	100	2100
11	Noronha Gayle Zenia	2200	100	2100
12	Pereira Vina Alzira	2200	100	2100
13	Rodrigues Alisha Sacramenta	2200	100	2100
14	Perciva Fernandes	2200	100	2100
15	Vaz Rachel Raissa	2200	100	2100
16	Afonso Joelin Venora	2200	100	2100
17	Colaco Dayl Freezel	2200	100	2100
18	Cardoz Anushka Benita	2200	100	2100
19	Da Costa Jorishka	2200	100	2100
20	Dias Alitia	2200	100	2100
21	D'Silva Jeannie Moizinha	2200	100	2100
22	Da Silva Naomi Sebastiana	2200	100	2100
23	Fernandes Efenzy	2200	100	2100
24	Fernandes Romancia Shamina	2200	100	2100

25	Fernandes Maria Josephine	2200	100	2100
26	Gama Melenie Russhel	2200	100	2100
27	Pimenta Savia	2200	100	2100
28	Rodrigues Sneha Valansteina	2200	100	2100
29	Rodrigues Larisa	2200	100	2100
30	Soreng Deepti	2200	100	2100
31	Shaikh Sumaiya	2200	100	2100
32	Miranda Stency	2200	100	2100
33	Toraskar Sunita Vishnu	2200	100	2100
34	Dias Alita Clasentra	2200	100	2100
35	D'Souza Maclina	2200	100	2100
36	Fernandes Velanni	2200	100	2100
37	Gauns Alkha Anand	2200	100	2100
38	Fernandes Eforne	2200	100	2100
39	Krishna Salija M.	2200	100	2100
40	Phadte Ashwaria Damodar	2200	100	2100
41	Rato Shelly Perpet	2200	100	2100
42	Rushda Subhani (Sarah)	2200	100	2100
EMESTER V AND VI OF B.COM				
1	Abranches Venesha	2200	100	2100
2	Albuquerque Adisha	2200	100	2100
3	Antao Abba Angelica	2200	100	2100
4	Barbosa Stacey	2200	100	2100
5	D'Costa Renessa	2200	100	2100
6	Faria Crizel Janace	2200	100	2100
7	Fernandes Cerveloma	2200	100	2100
8	Fernandes Clency	2200	100	2100
9	Fernandes Esther	2200	100	2100
10	Fernandes Evelyn Nielda	2200	100	2100
11	Fernandes Jancy Monaliza C.	2200	100	2100
12	Fernandes Mevita Anfreia	2200	100	2100
13	Fernandes Swancy Anceta	2200	100	2100
14	G. Natasha	2200	100	2100
15	Gomes Alaska Tilda	2200	100	2100
16	Jadhav Suvidha	2200	100	2100
17	Kadam Pooja Dharmendra	2200	100	2100
18	Mascarenhas Hinoshi Maria	2200	100	2100
19	Mascarenhas Sharn Daphne	2200	100	2100
20	Parab Sai Prabhakar	2200	100	2100
21	Pereira Anusha	2200	100	2100
22	Rodrigues Alisha Ritz	2200	100	2100
23	Rodrigues Jovira Alisha F	2200	100	2100
24	Sequeira Chelsea	2200	100	2100
25	Shekhawat Manisha	2200	100	2100
26	Sousa Nasida Monisha	2200	100	2100
27	Vaz Crisenta Aifa	2200	100	2100
28	Vaz Viana Valida	2200	100	2100
29	Xavier Jennifer	2200	100	2100
30	Barbosa Clarissa	2200	100	2100
31	Gonsalves Sabrina Emelia	2200	100	2100
32	Lamani Yashoda Valappa	2200	100	2100
33	Pereira Malisha	2200	100	2100
34	Raika Arti Kamlakant	2200	100	2100
35	Simoes Alvita	2200	100	2100
36	Naik Sindhavi	2200	100	2100
		✓239800	10900	228900

Receipt at V. No. 9.

88
88

SELF DEVELOPMENT COURSE					
Sr.No	Name of the student	class	Fees	Carmel Society	Pd to Ankita Das
1	Shivani Naidu	T.Y.B.Com	2200	100	2100
	Anna Rosa Gomes Dos				
2	Santos	T.Y.B.A	2200	100	2100
3	Bashira Qadiry	F.Y.B.Com	1800	100	1700
					5900

22

27 August 2016

Receipt

Received with thanks from CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN a sum of Rs. 16800/- (Rupees Sixteen thousand eight hundred only) towards fees for conducting self development course for M.A/M.Com students.

Regards,
Ms. Ankita Das



(Receiver's signature)

36

27 August 2016

Receipt

Received with thanks from CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN a sum of Rs. 334800/- (Rupees Three Lakhs thirty four thousand eight hundred only) towards fees for conducting self development course for FYB.A/B.Sc/B.Com students.

Regards,
Ms. Ankita Das



Ankita Das

(Receiver's signature)

(63)

27 August 2016

Receipt

Received with thanks from CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN a sum of Rs. 98700/- (Rupees Ninety eight thousand seven hundred) towards fees for conducting self development course for FYB.A/BSc/B.Com students.

Regards,
Ms. Ankita Das



(Receiver's signature)

SELF DEVELOPMENT COURSE				Amount paid	
Sr.No	Names of Students	Total	C.S Amount	to Mrs. Ankita Das	
1	Pal Sneha	2200	100	2100	
2	Mulla Reshma Bi	2200	100	2100	
3	Fernandes Sinifa	2200	100	2100	
4	Pinto Movina	2200	100	2100	
5	Singh Priyanka	2200	100	2100	
6	Nisha Chauhan	2200	100	2100	
7	Patil Aishwarya	2200	100	2100	
8	K.Blessy Georgina	2200	100	2100	
9	Colaco Mezilda	2200	100	2100	
10	D'Silva Gracy Maria	2200	100	2100	
11	D'Costa Plassey	2200	100	2100	
12	Basawa Akshata H	2200	100	2100	
13	Jose Roseben	2200	100	2100	
14	Dhage Shweta	2200	100	2100	
15	Mane Thirmala	2200	100	2100	
16	Da Costa Nairica	2200	100	2100	
17	Pereira Sangeeta	2200	100	2100	
18	Fernandes Sannely	2200	100	2100	
19	D'Costa Sanifa	2200	100	2100	
20	Alvares Uvol	2200	100	2100	
21	Alvares Plęcy	2200	100	2100	
22	Pereira Alisha	2200	100	2100	
23	Fernandes Shanila	2200	100	2100	
24	D'Costa Bertina Alina	2200	100	2100	
25	D'Souza Maria X	2200	100	2100	
26	Cruz Edlina	2200	100	2100	
27	D'Mello Jemina	2200	100	2100	
28	Gaikwad Susparsha	2200	100	2100	
29	Noronha Agnes	2200	100	2100	
30	D'Silva Svetla	2200	100	2100	
31	Pires Menzelia	2200	100	2100	
32	Rodrigues Vailanda	2200	100	2100	
33	Sayed Asha	2200	100	2100	
34	Noronha Priti	2200	100	2100	
35	Mascarenhas Vellany	2200	100	2100	
36	Teles Vania Nora	2200	100	2100	
37	Fernandes Malisha	2200	100	2100	
38	Verenkar Jayanti	2200	100	2100	
39	Dhage Sarika	2200	100	2100	
40	Choudhari Megha	2200	100	2100	

41	D'Silva Amanda	2200	100	2100
42	Banaulikar Shilpa	2200	100	2100
43	Bhat Divya	2200	100	2100
44	Chimma Angel	2200	100	2100
45	Fernandes Resila	2200	100	2100
46	Naik Rashmita	2200	100	2100
47	Matkar Reema	2200	100	2100
48	Rodrigues Raujeal	2200	100	2100
49	De Sa Alisha	2200	100	2100
50	Fernandes Swizel	2200	100	2100
51	D'Sa Veeta	2200	100	2100
52	Fernandes Keny	2200	100	2100
53	Rodrigues Priyanka	2200	100	2100
54	Fernandes Anaswella	2200	100	2100
55	D'Costa Swizel	2200	100	2100
56	Rasika Negi	2200	100	2100
		123200	5600	117600
	Less refunded			
	Shaikh Sumaiya	2200	100	2100
	<i>Pd on 8/8/16</i>			115500
	<i>to Ms. Ankita Das</i>			

Receipt at V.No (55)

ACTIVITY ATTENDANCE FORMAT

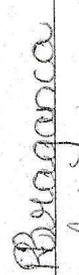
Carmel College of Arts, Science and Commerce

CC/ADMIN/Annex-38
 REV: 01
 DATE: 16/08/2018
 Page 01 of 01

Name of the Facilitator/Guest speaker: _____ Designation of the Facilitator/Speaker: _____

Name of the Facilitator/Guest speaker: Harshita Aoscena Designation of the Facilitator/Speaker: Image Consultant

Attended by _____ (number) students

Class/ Designation	Name	Signature
SYBA	Rochelle Braganca	
"	Lincy Fernandes	
F.Y.B.Sc	Ritisha Edmon Jyoti	
F.Y.B.Sc	Nehika Kumari	
F.Y.B.Sc	Preeti B. Pawar	
F.Y.B.Sc	AISHVARYA Vajam	
F.Y.B.Sc	Saena Shaikh	
F.Y.B.Sc	Pankhuri Kumari	
F.Y.B.Sc	Sania Sanehanavar	

0	F.Y.B.A	Sakshi Manoj kankonker	Manoj
1	F.Y.B.A	Vandhana Desai	Odessa
2	F.Y.B.A	Tanvi Dilip Lotiker	Tanviker
3	F.Y.B.A	Seeya.R. Kudalkar	Sudattar
4	F.Y.B.A F.Y.B.A	Musadika Nashipudi Mehar Shaikh	Musadika Kaitha
5	F.Y.B.A	Sakshi .S. Borker	Sakshi
6	F.Y.B.A	Reshma V. Vishwas	Pin
7	F.Y.B.A	FIZA AKBAR	Fiz
8	FYBA	Lawren Fernandes	fernandes
9	FYBA	ASHREENA MENDES	Mendes
20	SYBA	Rashmika Nayakwadi	Raith
21	SYBA	Priyanka	Priy
22	SYBA	Neha kumar	Kumar
23	SYBA	Pooam Pratima Topno	Topno
24	FY BSc	Sannipa .V. Fernandes	Sannipa
25	FY BSc	Andrea Rodrigues	Andriana
26	FY BSc	Caispica Rebelo	Rebela
27	FY BSc	Jessica Fernandes	Jessica
28	FYBA	Amanda Susan Thantachan	Amanda
29	FYBA	Abigail Bauweto	Abigail Bauweto

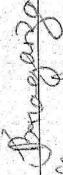
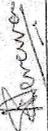
Carmel College of Arts, Science and Commerce

1. ACTIVITY ATTENDANCE FORMAT

Department of _____ / Faculty of _____ / Center guidance and others

Name of the facilitator/guest speaker: _____ Designation of the Facilitator/Speaker: _____

Topic: _____ Attended by _____ (number) students

S.No	Class/ Designation	Name	Signature
	FYBA	Rigle Rodrigues	
	FYBA	Swizel Fernandes	
	FYBA	Ally Jewel Fernandes	Ally-J.F.D.
	FYBA	Shahina colaco	Scalaco
	FYBA	Lizbeth Almeida	
	FYBA	Joella Braganza	
	SYBSc	Queenie Mascarenhas	
	"	Andrea Pereira	
	FYBSc	Siphyl Alphonso	

FY BSc	Fabiola Souza	Benusa
FY BA	Shariel Abranches	Abranches
FY BA	Faaida Barretto	Adalena
FY BA	Valencia Tapia	Peixoto
FY BA	Shania Peixoto	Rodrigues
FY BSc A	Ligiane N. Rodrigues	Dias
FY BSc B	Sujasca Dias	Dias
FY BSc B	Anam Dhar	Mathay
FY BSc B	Shoungi Bhattachar	Marobres
FY BSc B	Shruti Sagariker	Kulkar
FY BSc A	Shreya Kulkar	Sosolikar
FY BSc A	Pratiksha Sasardkar	Mathay
FY BSc A	Shruti Bhattachar	Albral
FY BSc B	Alisha Cabral	Albral
FY BSc B	Pratiksha Anvekar	Albral
SY BA (B)	Rochelle Fernandes	Albral
FY BSc (B)	Pearl Segunira	Fernandes
FY BSc (A)	Satyachrome Sai Anje	Fernandes
FY BA (A)	Karen Blossom Joseph	Albral
FY BA (A)	Shania Coutinho	Albral

Carmel College of Arts, Science and Commerce

Department of _____ / Faculty of _____ / Course guidance and others

Name of the facilitator/guest speaker: _____

Designation of the Facilitator/Speaker: _____

Topic: _____

Attended by _____ (number) students

No	Class/ Designation	Name	Signature
	FYBSc A	Archana Prasad	<i>Archana</i>
	"	Neha Prasad	<i>Neha</i>
	"	Shruti Mhasekar	<i>Shruti</i>
	"	Suzie Gomes	<i>Gomes</i>
	"	Tania Rodrigues	<i>Rodrigues</i>
	"	Dikshida Naik	<i>Naik</i>
	"	Queency Fernandez	<i>Queency</i>
	FYBA (B)	Riva Noronha	<i>Noronha</i>
	FYBA (B)	Beverly Fernandes	<i>Beverly</i>

FYBA (B)	Sarisha Fernandes	Ades
FYBcom(B)	Anjali Singh	Ades
FYBcom (B)	Soumya Sallapur	Soumya
YBA - Pol Sci	Ashwetha Desouza	Ashwetha
YBA - History	Amanda Ouadras	Amanda
IBA - Hist	Kimberley Rodrigues	Rodrigues
IBA (B)	Ravika Galva Fernandes	Fernandes
YBA (C)	Pearl Snous Fernandes	Ades
YBA (B)	Andrea Savia Baptista	Baptista
YBA (B)	Vishaka-Vinod Malwanekar	Malwanekar
YBA (C)	Lerissa Rebello	Rebello
BA (C)	Nimisha Patil	Nimisha
YBA (B)	Shruti Vaingankar	Shruti
YBA (B)	Santoshi - Naik	Naik
YBA (B)	Achal Vernekar	A
YBA (B)	Ashlee Dattakar	Dattakar
YBA [A]	Xena Bal	Xena Bal

11. ACTIVITY ATTENDANCE FORMAT

Carmel College of Arts, Science and Commerce

CC/ADMIN/Annex-38
REV: 01
DATE: 16/08/2018
Page 01 of 01

Department of _____ with the Guest Lecturer / Expert Lecturer / Career guidance and others _____

Name of the Facilitator/guest speaker: _____ Designation of the Facilitator/Speaker: _____

Topic: _____ Attended by _____ (number) students

S.No	Class/ Designation	Name	Signature
1	SYBA	Prerity Fernandes	
2	SYBA	Sarojini Durgdung	
3	SY BSC (A)	Alyssa F'des	
4	SY BSC	Maryuri Gankar	
5	SY BSC	Britney Rodrigues	
6	FYBA	Sanaya Fernandes	
7	"	Alaine D'Souza	
8	"	Larissa Teles	
9	SY BA	Suwon Goelha	

11. ACTIVITY ATTENDANCE FORMAT

Carmel College of Arts, Science and Commerce

Department of _____ Activity: Guest lecture/ Expert lecture/ Career guidance and others _____

Date: _____ Time/Duration: _____

S.No	Class/ Designation	Name	Signature
1	SYBA	CRIZELA SOARES	<i>Soares</i>
2	SYBA	CRUCIA BARRETO	<i>Barreto</i>
3	SYBA	MEGHAN NORONHA	<i>Noronha</i>
4	SYBA	AMANDA FERNANDES	<i>Amanda</i>
5	SYBA SYBA	Stacey Reb Stacey Rebelo	<i>Stacey</i>
6	SYBA	Danisha Juwend Fernandes	<i>Danisha</i>
7	FYBSc	Lizenne Dias	<i>Lizenne</i>
8	"	Mariano Isado	<i>Mariano</i>
9	SYBSc	Anna Grace Oliveira	<i>Anna Grace</i>

0	S4BSC	Ruhina Nasirpudi	
1	S4BSC	Kajal Jamuni	
2	FYBA	Tabitha Fernandes	
3	FYBA	Rachel Fernandes	
	FYBA	Sancia Gracias	Gracias
5	FYBA	krisha Noronha	krish
6	FYBA	Amalee Fernandes	
7	FYBA	Jewela Rodrigues	Rodrigues
8	FyBA	Ancela Rodrigues	Rodrigues
9	FyBA	Juel Dsouza	
20	FYBA	Kareena Gotarna	
21	FY BSc	hatibha. Chaudhari	
22	TYBA	Joycee Vaz	Vaz
23	TYBA	Alisha Travasso	
24			
25			

1. ACTIVITY ATTENDANCE FORMAT

Carmel College of Arts, Science and Commerce

Name of the Facilitator/guest speaker: _____ Designation of the Facilitator/Speaker: _____

Topic: _____

Attended by _____ (number) students

Sl.No	Class/ Designation	Name	Signature
1	FYBA - A	Fernandes Meusial	
2	FYBA - B	Lopes Janice	
3	FYBA - C (B)	Amisha Pednekar	
4	FYBA - C	Angali Takrabh	
5	FYBA - A	Kimberly Peniston	Rimberly
6	FYBA - C	Crisia Colato	
7	FYBA - A	Nikita Volvoikar	
8	F-YBcom B	Delina: C D'Souza	
9	F-YBCOM A	Legreda. O. Rodrigues	

0	FY Bcom (A)	Tifa Fernandes		
1	FY BA (B)	Painy Munerz		<u>Eds</u>
2	FY Bsc (A)	Carina Desouza		<u>Renezes</u>
3	FY BSc (B)	Dulla Fernandes		<u>Group</u>
4	FY Bsc (B)	Coralisa Fernandes		<u>Eds</u>
5	FY BSc (B)	Irfana		<u>Eds</u>
6	FY Bsc (B)	Shashikiran Nishad		<u>Nishad</u>
7	FY BA (C)	Diksha Kewal		<u>Eds</u>
8	FY Bsc (A)	Charuta Kadam		<u>Eds</u>
9	FY BSc (A)	Priiti Passi		<u>Eds</u>
10	FY Bsc (B)	Jaiminisa Kanikyanonva		<u>Eds</u>
11	FY Bsc (A)	Ashwini Humayund		<u>Eds</u>
12	FY Bsc (A)	Neelavati Vantamusi		<u>Eds</u>
13				
14				
15				

UNELMA GROOMING ACADEMY

Grooming to bring out the best in you



Block B, Landscape City, Chogm Road, Porvorim - Goa
Email: unelmaacademy@gmail.com / Phone: 9370279590



ABOUT UNELMA

With an aim to impact and change people's lives for the better, UNELMA was created. Personality Enhancement, Personal Grooming and Motivational Speaking, are a vital part of human development, that helps shape us, to bring out the best version of ourselves. Individuality and confidence in one's own abilities, is a super power, that can help any individual, believe and attain anything the heart truly desires. UNELMA (Dare to dream...), is a finishing school, that will help bring out the best VERSION OF 'YOU'. UNELMA'S goal is to help train the mind and change the world. So get enrolled today and change your life forever.

FOUNDERS MESSAGE



After winning Femina Miss India in 2009 and Representing India at the Miss International Pageant in China, I started modelling and anchoring events, but I always wanted to do something more meaningful and substantial with my life. While being a model has its perks, my heart was leaning towards pursuing Image Consultancy and Motivational Speaking. I knew I could help elevate and bring about positive growth in people, through this medium and in turn learn so much myself. The love and appreciation I received, while training at a few Personality Development Programs, inspired me to pursue this field and to take my passion to another level and turn it into a career. And I was right. It has been exactly what I expected and much more.

Having trained under the guidance of the best Groomers in the country, like Ms. Sushmita Sen, Ms. Sabira Merchant and Ms. Asmita Parashar, and by adding my own experience, essence and personal touch to UNELMA, I wish nothing more than to spread my wings and help bring about, a positive change and growth, to experience life and all that it has to offer, through a new light.



GOAN WOMAN
ACHIEVERS

HARSHITA SAXENA

EX-FEMINA MISS INDIA

She started out as a model, winning top beauty titles along the way, including Femina Miss India 2009 crown. However, Harshita Saxena's passion took her to another level and today she is the proud owner of Unelma, a Goa-based image consulting and personality development academy, where she nurtures people and gives them the confidence to face the world.

What inspired you to pursue this career?

I started off as a model but I always wanted to do something more meaningful and substantial with my life. While being a model has its perks, my heart was leaning towards pursuing image consultancy and motivational speaking. I knew I could help elevate and bring about positive growth in people through this medium and in turn learn so much myself.

The love and appreciation I received while training at a few personality development programmes inspired me to pursue this field and to take my passion to another level and turn it into a career. And I was right. It has been exactly what I expected and more.

What challenges did you face along the way?

Like any other field of work one has to face challenges along the way, mine is no different. Having recently started my new venture in the form of an image consulting and personality development academy called Unelma, I have faced the reality of dealing with the crux of running a business and having to promote and project it with an attempt to raise awareness of the importance this course holds in our daily lives. It has been a bit of a struggle, but God has been kind at every point in my life, in helping overcome each obstacle.

Was being a woman a challenge in your profession?

I feel being a woman has been a challenge and a blessing at the same time. But with changing times, I definitely feel it's more of the latter. The biggest challenge I faced is in finding the acceptance of being a woman with a strong opinion on a varying degree of matters and being able to freely communicate them, with a voice, willing to be heard, without being judged and overlooked.

Your message to aspiring women achievers...

Never stop dreaming, no matter what people say or think. As clichéd as it sounds, believe in yourself, work smart and stand out for your uniqueness, rather than fade in the crowd. There is no greater joy than accepting and nourishing the qualities we inherently have.

94 | **GOA** | MARCH - 15 APRIL 2019



UNELMA
dare to dream

COURSE OFFERING

This Certified Personality Development, Personal Grooming and Motivational Course by MISS INDIA INTERNATIONAL AND IMAGE CONSULTANT, HARSHITA SAXENA, offers the following:

- Communication Skills - Confidence Building
- Interview Skills
- Motivational Speaking
- Public Speaking
- Social Skills / Conversational Skills
- Relationship building
- Time Management/Money Management
- Body language
- Personal Etiquettes / Public Etiquettes
- Diet & Fitness
- Style Tips and Saree Draping
- Skin Care / Personal Hygiene / Basic Make Up



COMMUNICATION SKILLS - CONFIDENCE BUILDING

This interactive session explores the art of building relationships. The benefits of doing so are both immediate, in helping deliver stronger, more effective client service; and long-term, in contributing to business development.

Training Objectives:

By the end of the session participants will know about:

- Valuing the importance of relationship building
- Practicing their approach in order to make stronger impressions
- Identifying opportunities to deepen relationships through questioning and listening
- Practicing conversation techniques that can be used to deepen relationships through activities.
- Developing strategies to increase trust within relationships and engage in relationship-building efforts
- Confidently conversing about opportunities.

Duration:

4 hours.



INTERVIEW SKILLS

This interactive session explores the skill set in tackling interview sessions. Participants will explore the techniques in answering questions and appearing confident.

Training objective:

By the end of the session participants will know:

- How to make a great first and lasting impression
- Appropriate Interview attire
- How to prepare and present yourself at an interview.
- How to maintain decorum
- Mock Interviews with students
- How to apply for jobs

Duration:

3 hours.



MOTIVATIONAL SPEAKING

This session is intended to train you to motivate or inspire your audience.

Training objective:

By the end of the session participants will learn about:

- Positive thinking
- How to build a successful mindset
- Effective leadership
- Patience
- Team Building activities
- Social Media
- Meditation
- The future
- Goal setting
- How to cope with failure and disappointment

Duration:

2 hours and 30 minutes



PUBLIC SPEAKING

Public speaking is commonly understood as formal, face-to-face speaking of a single person to a group of listeners. Traditionally, public speaking was considered to be a part of the art of persuasion.

Training Objectives:

By the end of the session participants will learn about:

- How to hold a mic
- Articulation
- How to keep the audience engaged
- Humour Effective communication

Duration:

3 hours.



SOCIAL SKILLS/CONVERSATIONAL SKILLS

This session will bring about competence facilitating interaction and communication with others where social rules and relations are created, communicated, and changed in verbal and nonverbal ways.

Training Objectives:

By the end of the session participants will learn about:

- Interactive activities to overcome social anxiety
- How to start a conversation
- Asking open-ended questions
- Being up-to-date with current affairs

Duration:

2 hours and 30 minutes



RELATIONSHIP BUILDING

Relationship building is the process of developing social connections. This is a fundamental business skill that is the basis for reputation, influencing, closing deals and sustaining relationships. Our session will ensure that you will build strong grounded relationships.

Training Objectives:

By the end of the session participants will learn about:

- How to form a great first impression
- Having a positive impact on people
- Finding your strengths and building on them ,to form lasting and meaningful relationships
- How to form a lasting impression on people
- How to make friends and influence people
- How to support and encourage one another in a competitive environment

Duration:

2 hours and 30 minutes



TIME MANAGEMENT / MONEY MANAGEMENT

Training session on Systematic, priority-based structuring of time allocation and distribution among competing demands.

Training Objectives:

By the end of the session participants will learn about:

- Planning, organisation and scheduling of daily routines
- How to effectively put aside undisturbed time for work/study
- How to make time for leisure activities
- Showing up on time for work commitments
- Importance of disciplining time
- Meeting deadlines
- How to manage money

Duration:

2 hours and 30 minutes



BODY LANGUAGE

Body language is a type of nonverbal communication in which physical behaviors, as opposed to words, are used to express or convey information.

Training Objectives:

By the end of the session participants will learn about:

- Posture
- Hand gestures
- Facial Expressions

Duration:

2 hours.



PERSONAL ETIQUETTES / PUBLIC ETIQUETTES

Our session will focus on the customary code of polite behavior in society or among members of a particular profession or group.

Training Objectives:

By the end of the session participants will learn about:

- Greetings and salutations
- Phone etiquettes
- Travel and airport Etiquettes
- Email Etiquettes
- Table and dining etiquettes
- Maintaining a calm demeanour in stressful situations

Duration:

3 hours



DIET & FITNESS

Eating a well-balanced diet can help you get the calories and nutrients you need to fuel your daily activities, including regular exercise.

Training Objectives:

By the end of their session participants will learn to make:

- Healthier lifestyle choices
- Improve sleep pattern
- Healthier eating habits for a better mindset.
- Proper Exercise pattern keeping in mind their personal requirements

Duration:

2 hours and 30 minutes



STYLE TIPS & SAREE DRAPING

The training session focuses on your Personal styling and dress coordination for various occasions. This will help bring out the best in your appearance on a day to day basis.

Training Objectives:

By the end of the session participants will learn about:

- How to dress according to your body structure, skin tone and height
- How to stand out with your unique sense of individual style quotient
- How to dress according to the authenticity of the occasion
- How to dress presentably to work
- How to dress to college

Duration:

2 hours.



SKIN CARE / PERSONAL HYGIENE / BASIC MAKEUP

This session will focus on Skin care and makeup owing to the requirement. You will learn to enhance your daily skin regime and basic make up methods.

Training Objectives:

By the end of the session participants will learn about:

- Daily skin care routine
- Grooming for men and women to look and feel clean and presentable
- Fresh make up for daily use
- Work make up
- Make up for special occasions

Duration

1 hour and 50 minutes.





MILESTONE.....

- ❖ 4 years of Personality Development and Personal Grooming classes at Parvati Chowgule College of Arts and Science, Margao - Goa
- ❖ Training students of NIFD/NIFT
- ❖ Corporate Training
- ❖ Personal Grooming to College students from various colleges in Goa and India.
- ❖ Training and Grooming girls for the Femina Miss India Pageant.
- ❖ Grooming several working Women and Men as well as Homemakers



TRAINING SESSIONS



Personality Development and Personal grooming Course.

The Department of Political Science, Carmel College of Arts, Science and Commerce organized a Value Added course of 30 hours on Personality Development and Self Grooming. The course commenced on 19th August 2019 and ended 27th August 2019. The Resource Person was Ms. Harshita Saxena, Ex Miss India International and Image Consultant.

The course covered the following topics :

Communication Skills- Confidence building

Motivational speaking- Style and Tips

Basic Makeup- Fitness- Skin care

Personality Enhancement- Social Skills

Public Speaking and Dining Etiquettes.

27 students across all streams from the college were enrolled and successfully completed the Course.



Guest Lecture by Ms. Jennifer Miranda

Topic: Basics of Financial Planning

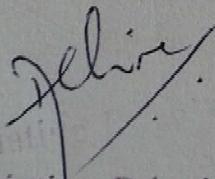
Date: 1st December 2016

Ms. Jennifer Miranda, an authorized representative from Securities and Exchange Board of India (SEBI) addressed the S. Y. B. Com Students on 1st December, 2016. She explained about financial planning and short term, Medium term and long term goals. She also stressed on smart goals. She highlighted the different instruments that can be used to achieve the goals. Such instruments can be classified into three categories, such as –

- Low Risk instruments – fixed deposits, cash at bank
- Medium Risk instruments – debentures, bonds
- High Risk instruments - equity shares and mutual funds

She also highlighted the steps to be taken while using ATM and warned the students about the fraud mechanism followed by different organizations by using the Ponzi schemes. She advised the students to spread the message to their parents.

The talk was attended by 38 students and 2 staff members.



Officiating Principal
Carmel College of Arts, Science &
Commerce for Women
Nuvem - Goa.

DEPARTMENT OF COMMERCE

Topic: SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

Name of the Visiting Faculty: JENNIFER MIRANDA.

Date: 1/Dec/2014. Attended by 36. students

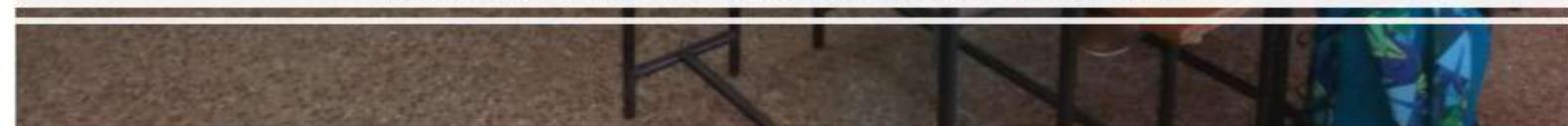
NAMES OF ATTENDEES

Sr. No.	Name	Class	Initials
1	Goyna fernandes	SYBcom	fdes.
2	Sabizel Afonso	SYBcom	Afonso
3	Handilla Gomes	SYBcom	Gomes
4	Nikita fernandes	SYBcom	Ndes
5	Kate James	SYBcom	K. James
6	Pratibha Tinari	SYBcom	Tinari
7	KOMAL Singh	SYBcom	K Singh
8	Bharati Bhati	S.Y. Bcom	Bhati
9	Nielle de Souza	S.Y. BCOM	N Souza
10	Everley Dias	S.Y. Bcom	Everley
11	Shamira Cardozo	S.Y. Bcom	Shamira
12	Clancy Vaz	"	CVAZ
13	Clancy Fonseca	"	Fonseca
14	Reema Goes	"	Goes
15	Manifa Carvalho	"	Carvalho
16	Varsha Karekas	"	Karekas
17	Leesha Rodrigues	SY BCOM	Rodrigues
18	Sangita Kattimani	SY BCOM	Kattimani
19	Renisha Braganza	SY BCOM	Braganza
20	Jasmine Dsouza	SY BCOM	Dsouza
21	FATIMA	SY BCOM	S-fatima
22	Broncha Rodrigues	SY. Bcom	Rodrigues
23	Savitri Shah	SY. Bcom	Shah
24	Anastasia fernandes	S.Y. Bcom	Anastasia
25	Tovita Coelho	S.Y. Bcom	Coelho
26	Cressida fernandos	SY-BCOM	Cressida fernandos
27	Myra Dias	SYBcom	Dias
28	Serena Silva	SY Bcom	Silva
29	felima Albuquerque	SY Bcom	Albuquerque
30	Suman Prasad	SY Bcom	Prasad

Sr. No.	Name	Class	Initials
31	PRINCY CALADO	SYBCOM	Calado
32	Jeneciana Fernandes	SYBCOM	Jde1
33	Tona Dias	S.Y. Bcom	T Dias
34	Coral da Gama	S.Y. BCOM	C da Gama
35	Vienna Da Costa	S.Y. BCOM	V Da Costa
36	Nadia Vaz	S.Y. BCOM	N Va
37			
38			
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			
51			
52			
53			
54			
55			
56			
57			
58			
59			
60			
61			
62			
63			
64			
65			
66			



Mrs. Jennifer Miranda delivering a talk on Basics in Financial Planning on 1st December 2016 in the S.Y.B.Com Lecture Hall





Mrs. Jennifer Miranda delivering a talk on Basics in Financial Planning on 1st December 2016 in the S.Y.B.Com Lecture Hall

Activity: Bridge Course for Vocational Students

Date: 1st June 2018 to 16th June 2018

The Department of Commerce organised a 15 days Bridge Course which commenced on 1st of June 2018 and ended on 16th June 2018. This Course was specially designed and conducted by Sr. Maria Janet A.C. The course was meant to help the Vocational Students to get acquainted with the basic knowledge of Accounting. 30 Vocational Students from various Higher Secondary Schools who had enrolled themselves for the Semester I of B.Com participated in the course. Theoretical and practical sessions were conducted to develop the knowledge of the students in the area of accountancy and to help them to learn the basic concept and principles of Accounting.

ACCOUNTING SYLLABUS

General Purpose of the course:

The course is specially designed for Vocational Students. Students will become acquainted with the principles of double entry system of bookkeeping including the preparation of financial statements.

THE OBJECTIVE OF THIS COURSE IS TO

- 1. To help the students to get acquainted with the basic knowledge of Accounting.**
- 2. To help students understand the main concepts and principles of Accounting.**
- 3. To provide students with a theoretical & practical basis upon which they will develop their knowledge in other areas of accounting.**

1. Introduction to Accounting

A. Conceptual Frame work of Accounting

- Basic assumptions – Basic concepts – Modifying principles – Accounting Standards.

2. Basic Accounting Procedures I

- Double Entry System of Book-Keeping
- Double entry system – Account – Golden rules of accounting.

A. Basic Accounting Procedures II – Journal

- Source documents – Accounting equation
- Rules for debiting and crediting
- Books of original entry – Journal – Illustrations.

B. Basic Accounting Procedures III – Ledger

C. Subsidiary Books I – Cash Book

- Kinds of cash books.

3. Bank Reconciliation Statement

- Pass book – Difference between cash book and pass book
- Bank reconciliation statement – Causes of disagreement between balance shown by cash book and the balance shown by pass book
- Procedure for preparing bank reconciliation statement – Format

4. Accounting for Companies

- Company – Meaning, Characteristics, Kinds of Companies
- Shares – Meaning, Nature, Types of Shares
- Types of Share Capital – Authorised, Issued and Subscribed
- Issue & Allotment of Shares – At Par & At Premium
- Forfeiture of Shares
- Re-issue of Forfeited Shares

5. Analysis of Financial Statements

Financial statements of a company: Statement of Profit and Loss and Balance Sheet in the prescribed form with major headings and sub headings (as per Schedule III to the Companies Act, 2013).

Attendance for Bridge Course

2018-2019
2 hours. June 2018

S.No	Names of Students	1st	2nd	4th	5th	6th	7th	8th	9th	11th	12th	13th	14th	15th	16th	Exam
1	Fernanda Silva	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
2	Sonali Alvares	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3	Nanda Shaikh	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	
4	Cherifa Rebello	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
5	Jyoti Pal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
6	Ashleen Alida Soares	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
7	Queeny Gama	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	x	
8	Vesine D'Souza	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
9	Marie Vaz	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
10	Clevis Barros	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x
11	Afin Shaikh	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	
12	Uelapin Fernando	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
13	Dania Rodrigues	✓	✓	✓	✓	x	✓	x	✓	✓	✓	✓	✓	✓	✓	
14	Flory Borges	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
15	Tanice Fernando	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
16	Antunhya Da Silva	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
17	Jasmine Fernando	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	
18	Denzeia Rodrigues	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
19	Greca Dias	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
20	Jessica Da Cruz	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
21	Suzel Miranda	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	x	
22	Julie Costa	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	
23	Flory Costa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
24	Dolcy Silva	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
25	Kamla	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
26	Cherifa Rebello	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

sujata

Dr. Maria Janet A.C / mjaneta
Co-ordinator of Bridge Course

Sr.No	Names of Student	1st	2nd	4th	5th	6th	7th	8th	9th	11th	12th	13th	14th	15th	16th
27	Raina Barbose	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	x	✓	✓	x
28	Shahnaaz Velho	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
29	Devlita Dias	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	x	✓	✓	✓
30	Invy	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓

Dr. Maria Janet A.C. mjaretas
 Coordinator of Bridge Course.

Dr. Maria Janet A.C. mjaretas
 Coordinator of Bridge Course



Sr. Maria Janet A.C. imparting basic accounting skills to vocational students during the bridge course held from 1st June 2018 to 16th June 2018 in the First Year B.Com Lecture Hall.



Students attending the bridge course from 1st June 2018 to 16th June 2018 in the First Year B.Com Lecture Hall.

YOUNG ENTREPRENEURS FAIR 2020

The Young Entrepreneurs Fair was held on the 7th of January 2020 on the college campus. The students of B.Com, Semester VI put up different stalls, based on their skills, resources and abilities.

The Eco-Magic Stall showcased cloth bags, coconut crafts, pen stands, jewellery boxes, paper baskets, roses, dream catchers and hand embroidered handkerchiefs.

The stall named *Handicraftd* put up jute crafts, bicycles of jute and bracelets for sale. Handmade bags, wall hangings, flowers and cloth pouches were popular items among buyers at the fair.

Creatively designed gift boxes, quilled earrings and decorated bottles caught the attention at this exhibition-cum-sale. Handmade perfumed aromatic candles and explosion box were also available at the fair.

The stall named Hook the Cook sold an array of items such as momos, canapes, crispy chicken and blue lagoon drinks.

Restaurant style, freshly baked exclusive items like brownies, as well as doughnuts and cookies were sold by the stalled named "The Baker's Table". The brownies were the fastest moving item at the fair due to its exquisite taste. The stall received great response with many buyers placing orders for the future.

In the fast-moving product category, items such as cold coffee, tea, cappuccino, chicken wraps, party plates (rissois, fish cones, sandwiches and combo offer) also experienced a good sale.

All items were reasonably priced based on a proper understanding of the requirements of the buyers' purchasing power.

Student entrepreneurs experienced a realistic market situation, handled different kinds of customers, managed cash and sales as well as feedback from the customers.

The Young Entrepreneurs Fair 2020, thus provided students with a platform to test their entrepreneurial ideas and ventures.

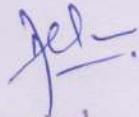

Officiating Principal
Carmel College of Arts, Science &
Commerce for Women
Nuvem - Goa.

YOUNG ENTREPRENEURS FAIR 2019-2020

ATTENDANCE

No.	Name	Date 7 th
1	Adaki Sakina	P
2	Ashwadhi Rajesh	P
3	Barreto Sweta	P
4	Barretto Flossy	P
5	Borkar Nidhi	P
6	Braganca Swezel	P
7	C Priyanka	P
8	Carvalho Jolanda	P
9	Colaco Cerel	P
10	Costa Clifa	P
11	Costa Daphina	P
12	Costa Karen	P
13	Da Costa Anoshka	P
14	D'Costa Samenca	P
15	De Souza Aloysia	P
16	D'Mello Nafisa	P
17	Doddamani Priyanka	P
18	D'Silva Irency	P
19	Faria Merlyn	P
20	Fernandes Benfia	P
21	Fernandes Caron	P
22	Fernandes Chrisell	P
23	Fernandes Jesma	P
24	Fernandes Keziah	P
25	Fernandes Mable	P
26	Fernandes Nemesia	P
27	Fernandes Nifa	P
28	Fernandes Seema	P
29	Fernandes Swizel	P
30	Fernandes Valencia	P
31	Flevin D'Souza	P
32	Gama Rolina	P
33	Gangavane Kiran	P
34	Gomes Diana	P

35	Jatagoni Renuka	P
36	Judith Rodrigues	P
37	Keshri Hema	P
38	Kolapte Risha	P
39	Leitao Cassandra	P
40	Marathi Komal	P
41	Mascarenhas Beverly	P
42	Mascarenhas Jency	P
43	Melo Mable	P
44	Menezes Stafee	P
45	Mesquita Viola	P
46	Miranda Dellifa	P
47	Naik Sneha	P
48	Naik Snevita	P
49	Nerissa Cardozo	P
50	Nouhad Shaikh	P
51	Parmar Poonam	P
52	Pereira Serafina	P
53	Pereira Sweezel	P
54	Quadros Silda	P
55	Ratto Nikita	P
56	Raut Dessai Shrehal	P
57	Satardekar Kirti	P
58	Sequeira Telvina	P
59	Sequeira Aniefa	P
60	Severes Ashwiny	P
61	Shaikh Farheen	P
62	Tak Priyanka	P
63	Tank Alpa	P
64	Vaz Elizabeth	P
65	Vaz Felcy	P


 Officiating Principal
 Carmel College of Arts, Science &
 Commerce for Women
 Nuvem - Goa.



Stalls selling food and home décor organized by students of T.Y.B.Com as part of the Young Entrepreneurs Fair, held on 7th January 2020 at Carmel College, Nuvem Goa

Activity: Guest Lecture by Dr. Celso Fernandes

Date: 15th September 2016

Topic: Financial Learning

On 15th September 2016, a guest lecture on Financial Learning was organized by the Commerce Department for the students of all streams, viz. Arts, Science and Commerce in the College Auditorium.

The objective was to create a sense of financial awareness among the student community and sensitize them about importance of finance and financial planning in day to day life.

The guest speaker was Dr. Celso Fernandes, Centre for Financial Learning, and founder of Nave Marg Foundation, a charitable trust that donate funds towards social causes.

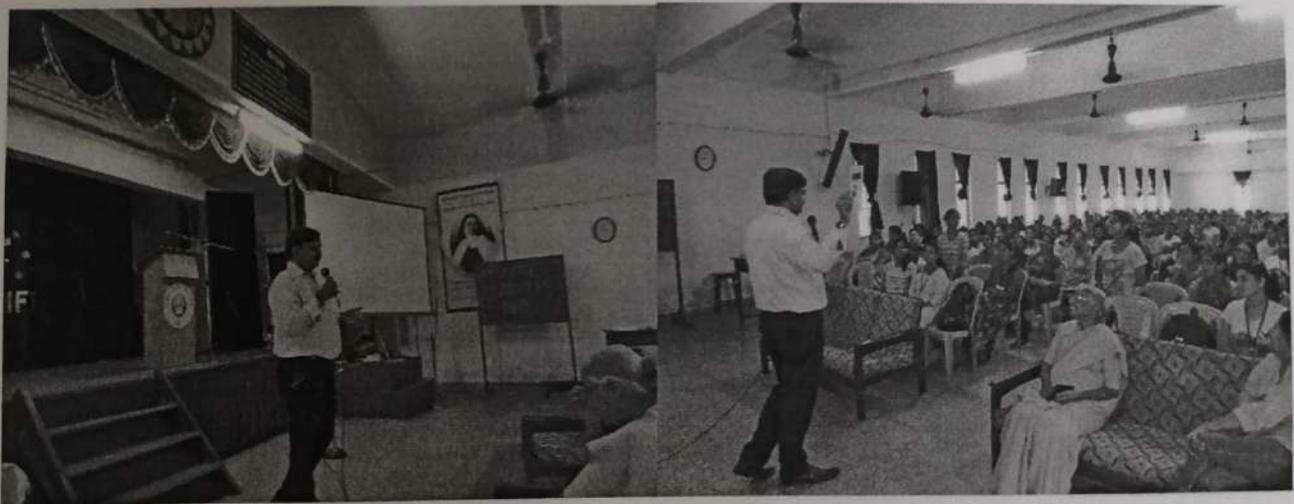
Dr. Celso Fernandes is a well-known dental surgeon from Margao, Goa with over 25 years of experience. He is Goa's first financial doctor who is on a mission to help youngsters in India turn around their lives from being daily wage earner to passive income earner. He is also on a mission of creating 100 crorepatris in Goa.

Dr. Celso Fernandes stressed on the need and importance of money as a basic requirement of lie. He explained from his own example how it was possible to inculcate the habit of saving and pointed out the difference between and saving and investment.

He motivated students to save and invest and be a part of the process of obtaining financial security and financial freedom for all youngsters and all people in India.

Student who were motivated and interested by the talk were asked to fill an enrollment form to be a part of the 'Young Achievers Club'.

The talk was attended by 184 students and 6 staff members. 55 students showed interest in joining the 'Young Achievers Club'. Copies of booklet by Dr. Celso Fernandes 'Who says money doesn't grows on trees?' were distributed to the interested students.



DEPARTMENT OF COMMERCE

Topic: FINANCE MADE EASY.

Name of the Visiting Faculty: DR. CELSO FERNANDES.

Date: 15/9/2011.

Attended by _____ students

NAMES OF ATTENDEES

Sr. No.	Name	Class	Initials
1	Sabrina Gonsalves	T.Y.BCOM	Gonsalves
2	SHINAM SHINAMI NAIDU	T.Y.Bcom	Shinam
3	Sai Parab	T.Y.Bcom	Parab
4	Rasika Nagji	T.Y.B.Com	Rasika
5	Manisha shekhawat	T.Y.B.com	Manisha
6	G. Natasha	T.Y.Bcom	Natasha
7	Clency Fonseca	S.Y.Bcom	Fonseca
8	Bharati Bhati	S.Y.Bcom	Bhati
9	Pratekha Jiwari	S.Y.Bcom	Jiwari
10	Nielle de Souza	S.Y.BCOM	Nesouza
11	Kati Soares	S.Y.BCOM	K. Soares
12	Sanchita Naik	F.Y.Bsc	Naik
13	Taruja Gomes	F.Y.Bsc	Gomes
14	Francesca Fernandes	F.Y.Bcom	Fdes
15	Sofrida A. Fernandes	F.Y.Bcom	Fdes
16	Bleze Moura	S.Y.BA	Bleuzo
17	Kenisha Baubosa	S.Y.BA	Baubosa
18	Shameen Noronha	S.Y.BA	Noronha
19	Akshaya Gauns	S.Y.BA	Gauns
20	Angela Panja	S.Y.BA	Panja
21	Yogeda Yalekar	S.Y.BA	Yalekar
22	Allin Parvin	S.Y.BA	Parvin
23	Priyam K. Kotharkar	S.Y.BSC	Kotharkar
24	Aisha Mittygal	S.Y.BSC	Mittygal
25	Sukhada Jalik	S.Y.BSC	Jalik
26	Chriselda Gomes	S.Y.BSC	Gomes
27	Elacita Coutinho	S.Y.BSC	Coutinho
28	Denisha Brailo Fernandes	F.Y.BA	Fdes
29	Maria Crasto	F.Y.BA	Crasto
30	Shuberl Pereira	F.Y.BA	Pereira
72	Ciana Fernandes	F.Y.Bsc	Fdes
73	Priscila Vaz	F.Y.BSC	Vaz
72	Peirna Anaijo	F.Y.BSC	Anaijo
73	Judy F. Faria	F.Y.BSC	Faria
74	Supriya Hanchind	F.Y.BSC	Supriya

Sr. No.	Name	Class	Initials
31	Seema S Marakala	FYBSC	Seema
32	Vandana Chauhan	FY Bsc	Vandana
33	Tanuja L. Velip	FY BCOM	Tanuja
34	Kimberly Fernandes	FY B.com	Kimberly
35	Selza Colaco	FY B.com	Selza
36	LIMORA DSOUZA	FY Bsc	Limora
37	Merlin Pinto	FYBA	Merlin
38	Tina D'silva	FYBA	Tina
39	SWIZEL Vaz	FYBA	Swizel
40	Sweta Moraes	FYBA	Sweta
41	Sensia Fernandes	F.Y.B.A	Sensia
42	Suchita Tambaskar	F.Y.B.A	Suchita
43	Valancia Rebello	F.Y.B.A	Valancia
44	Elvina Dias	F.Y.B.A	Elvina
45	Kueha Satakar	S.Y.B.A	Kueha
46	Gonam Marthwani	S.Y.B.A	Gonam
47	Shreya Shirodkar	S.Y.B.A	Shreya
48	Harshita M. Deshmukh	F.Y.Bsc	Harshita
49	Rajeshree S. Dubey	FYBSC	Rajeshree
50	Shruti Kinkar	FYBsc	Shruti
51	Kritika Anchan	FYBsc	Kritika
52	Pradnya Naik	FYBsc	Pradnya
53	Suman Prasad	S.Y.B.com	Suman
54	Tanice Gomes	S.Y.B.com	Tanice
55	Shruti Ekawade	SYBA	Shruti
56	Seeta Arsingeri	SYBA	Seeta
57	Jewella Valadares	SYBA	Jewella
58	Raveena D'souza	SYBA	Raveena
59	Iren Pereira	S.Y.B.A	Iren
60	Elsija Rodrigues	F.Y.Bsc	Elsija
61	Jencia Rodrigues	F.Y.Bsc	Jencia
62	Sunsan Rebello	F.Y.Bsc	Sunsan
63	Khyati Tyagi	S.Y.B.A	Khyati
64	Diksha Tandel	SYBA	Diksha
65	Archana Kerkar	S.Y.B.A.	Archana
66	Shemalite Vaz	SYBA	Shemalite
67	Swheta Caroloza	SYBA	Swheta
68	Anjali Rodrigues	SYBA	Anjali
69	Vailanka Gaunkar	FYBSC	Vailanka
70	Alvia Fernandes	FYBsc	Alvia
71	Athira Panicker	FYBSC	Athira

Sr. No.	Name	Class	Initials
75	Gonxola Rodrigues	S.Y.B.Com	GR
76	Javila Shah	S.Y.B.Com	JS
77	Nadia Vaz	S.V.B.Com	NV
78	Wilma Dias	S.Y.B.Com	WD
79	Alisha Desa	T.Y.B.Com	AD
80	Stacey Barbosa	T.Y.B.Com	SB
81	Nasida M. Sousa	T.Y.B.Com	NS
82	Anusha Pereira	T.Y.B.Com	AP
83	Clery Fernandes	T.Y.B.Com	CF
84	Rashida Bagawan	F.Y.B.Sc	RB
85	Waverly Teresa Dias	F.Y.B.Com	WD
86	Herison Trilauo	S.Y.B.A	HT
87	Junia Goudos	S.Y.B.A	JG
88	Arnica Ratimbazafy	S.Y.B.A	AR
89	Shivani Karkhi	S.Y.B.A	SK
90	Sanjana Mandekar	F.Y.B.A	SM
91	Vieira Fernandes	F.Y.B.A	VF
92	Joyce Abranches	F.Y.B.A	JA
93	Hazel Rodrigues	F.Y.B.A	HR
94	Zina Coutinho	F.Y.B.COM	ZC
95	Alaska Gomes	T.Y.B.Com	AG
96	Alisha Albuquerque	"	AL
97	Swamy Fides	"	SW
98	Hiyana Kanyal	S.Y.B.A	HK
99	Sabeena Shaikh	S.Y.B.A	SS
100	Ballika Gaunkar	F.Y.B.A	BG
101	Sruti Naik	F.Y.B.A	SN
102	Mahadevi Dessai	F.Y.B.A	MD
103	Villey Dsouza	F.Y.B.A	VD
104	Francis Rebello	F.Y.B.A	FR
105	Viciana Biaganza	F.Y.B.A	VB
106	Vailanka D'Souza	F.Y.B.A	VD
107	Monita Antao	F.Y.B.A	MA
108	Monika Antao	F.Y.B.Com	MA
108	Venoshka Bawrets	F.Y.B.Com	VB
109	Dion Couinho	F.Y.B.Sc.	DC
110	Venzila Fernandes	F.Y.B.Sc	VF
111	Kaiziga Shaikh	F.Y.B.COM	KS
112	Marish Pereira	F.Y.B.Com	MP
113	Ventesa Pinto	F.Y.B.A	VP

Sr. No.	Name	Class	Initials
114	40 Anisree S	FYBA	A S
115	41 Velika Dsouza	FY.BCOM	Velika
116	42 Dishal Fernandes	FY.BCOM	Dishal
117	43 Maria Pennander	FY.BCOM	Maria
118	44 Vanita Naik	FYBA	Naik
119	45 Umisha Dawant	FY.BA	Dawant
120	46 Frenzila Barretto	FYBA	Barretto
121	47 Myra Gama	FYBA	Gama
121	48 Josuwy Afonso	SYBA	Josuw
122	49 Melisa Fernandes	F.Y.BA	Melisa
123	50 Melcia Soares	F.Y.BA	Soares
124	51 Nevesa Barbosa	F.Y.BA	Barbosa
125	52 Marishka Da Cruz	F.Y.BA	Cruz
126	53 Rouella Fernandes	F.Y.BA	Rouella
127	54 Sangeeta Nayawant	F.Y.BA	Sangeeta
128	55 Fatimah Subhani	FYBA	Fatimah
129	56 Alfiya Shah	FYBA	Alfiya
130	57 Viena Ferreira	FYBA	Viena
131	58 Alayne Desa	FYBA	Alayne
132	59 Geizel Rodrigues	S.Y.BA	Geizel
133	60 Rousel Barretto	FYBSC	Barretto
134	61 Grupa Rebelo	FYBSC	Rebello
135	62 Annetta Barretto	SYBA	Barretto
136	63 Aysel Fernandes	FYBA	Aysel
137	64 Liliancia Costa	SYBA	Costa
138	65 Cosine Fernandes	SYBA	Cosine
139	66 Filina Rodrigues	SYBA	Filina
140	67 Nelie Perdekkan	SYBA	Nelie
141	68 Annanda Telles	SYBA	Telles
142	69 Basida Aadiyy	FYBA	Basida
143	70 Tanni Parackar	F.Y.BA	Tanni
144	71 Seidl Pereira	F.Y.BA	Pereira
145	72 Alpha Rodrigues	F.Y.BA	Alpha
146	73 Jermia Groes	F.Y.BA	Jermia
147	74 Aishlinn Gmel	F.Y.B.A	Aishlinn
148	75 Janica Pereira	"	Pereira
149	76 Lisanne Coutinho	"	Coutinho
150	77 Lisma Correia	"	Correia
151	80 Elvina Rebello	"	Rebello
152	81 Mumala Kumari	"	Mumala
153	82 NeSya Vas	SYBSC	N-Vas
154	83 Leena Masurkar	"	Masurkar
155	84 Paloma Fernandes	"	Paloma



Dr. Celso Fernandes delivering a Lecture on Financial Learning on 15th September 2016 in Carmel College Auditorium, Nuvem-Goa.



Dr. Celso Fernandes delivering a Lecture on Financial Learning on 15th September 2016 , Carmel College Auditorium, Nuvem Goa.

Activity: Guest Lecture by Mr. Shivanand Pandit

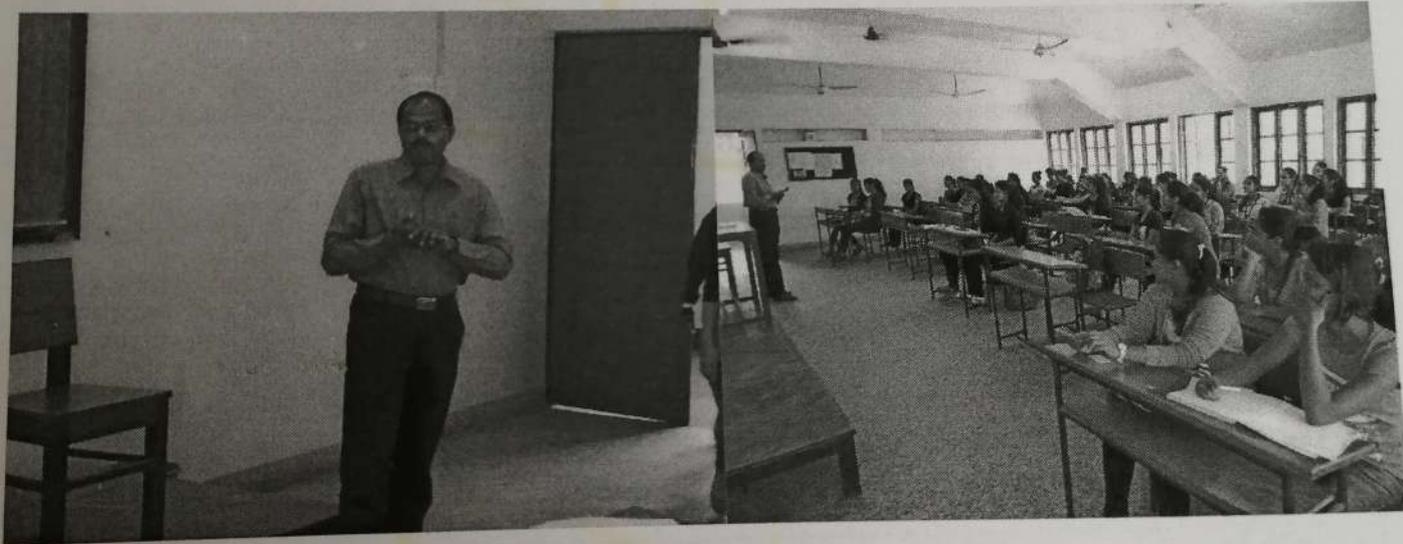
Date: 20th January 2017

Topic: Positive Attitude

On 20th January 2017, Mr. Shivanand Pandit, Tax Consultant from Margao addressed the S.Y. B.Com students on the topic 'Positive Attitude'. He highlighted the importance of education in life and told the students to set important goals in life. He stressed on positive attitude for achieving the goals in life. All negative thoughts can be removed only with positive attitude. He also advised the students on managing the time wisely to attain goals in life.

He has authored a book titled "Begin to win", which he shared with the students. The students responded to the book positively and showed keen interest in buying the same.

The talk was attended by 34 students of S. Y. B.Com.



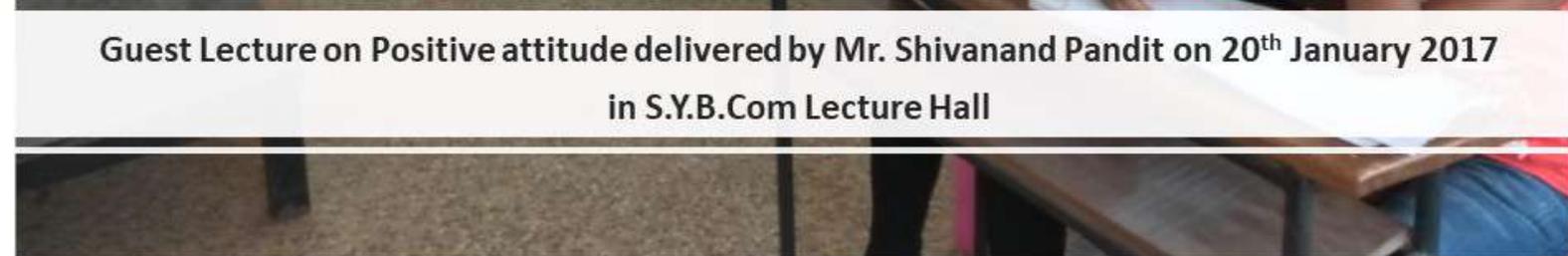
Felic
Officiating Principal
Carmel College of Arts, Science &
Commerce for Women
Navem - Goa.



Guest Lecture on Positive attitude delivered by Mr. Shivanand Pandit on 20th January 2017 in S.Y.B.Com Lecture Hall



**Guest Lecture on Positive attitude delivered by Mr. Shivanand Pandit on 20th January 2017
in S.Y.B.Com Lecture Hall**



Activity: Talk by Mr. Allen Pinto, Visiting Faculty for BBA, SS Dempo College, Corporate Trainer and Master of Ceremonies for functions.

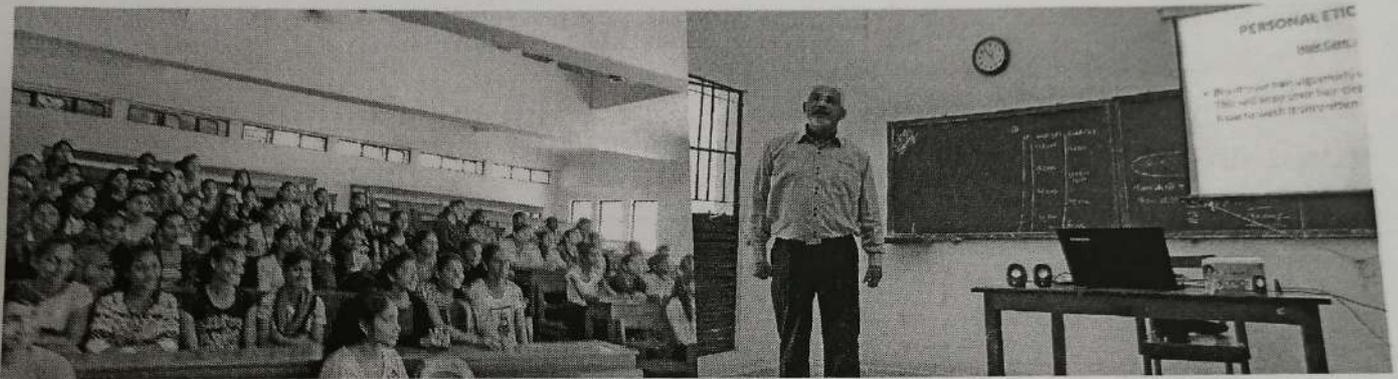
Date: 25th August 2016

Topic: Etiquettes for Better Employment

Mr. Allen Pinto delivered a talk on 25th August 2016 at 10.30 a.m. He highlighted different kinds of etiquettes required for individuals – personal etiquettes, poise etiquettes, social etiquettes, clothes etiquettes and dining etiquettes.

He stressed upon business etiquettes required in corporate life with the help of videos, role play and power point presentations. He emphasized that one should always be punctual for a business meeting and dressing should be appropriate for the situation. Business card should be carried for all business meetings. Handling of the business card was also instructed.

The talk was attended by 61 students of B. com Sem III and Sem V and 3 staff members.



Shine
Visiting Principal
College of Arts, Science &
Commerce for Women
Nuvem - Goa.

DEPARTMENT OF COMMERCE

Topic: BUSINESS ETIQUETTES.

Name of the Visiting Faculty: ALLAN PINTO

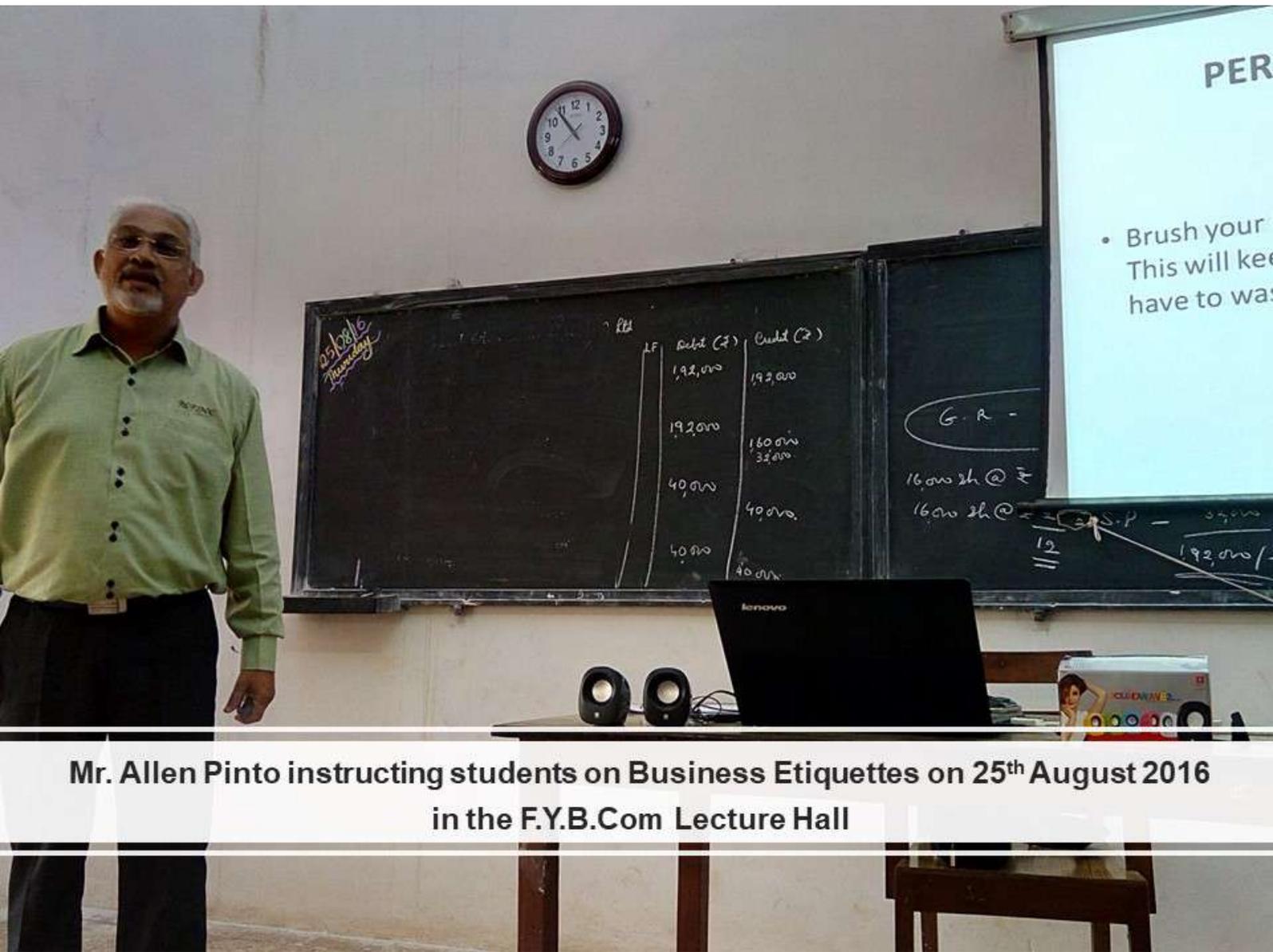
Date: 25/8/2016

Attended by _____ students

NAMES OF ATTENDEES

Sr. No.	Name	Class	Initials
1	Crizel Faria	T.Y.B.Com	Faria
2	Clarissa Barbosa	T.Y.B.Com	Barbosa
3	Viana Vaz	"	Vaz
4	Sindhavi Naik	"	Naik
5	Stacey Barbosa	"	Barbosa
6	Alisha De Sa	"	De Sa
7	Arusha Pereira	"	Pereira
8	Clency Fernandes	"	Fernandes
9	Nasida M. Sousa	"	Sousa
10	Cerueloma Fernandes	"	Fernandes
11	Chelsea Sequeira	"	Sequeira
12	Renessa Dcosta	"	Dcosta
13	Mevita Fernandes	"	Fernandes
14	Manifa Carvalho	S.Y.B.Com	Carvalho
15	Leena Goes.	"	Goes
16	Shamika Cardozo	"	Cardozo
17	Clancy Vaz	"	Vaz
18	Clency Fonseca	"	Fonseca
19	Joyna Fernandes	"	Fernandes
20	Steffi Vaz.	"	Vaz
21	Anita Soreng	"	Soreng
22	Xavieta Fernandes	"	Fernandes
23	Vesta D'Sa	T.Y. B.Com	D'Sa
24	Alvita Simoes	"	Simoes
25	Sham Daphne Mascarenhas	"	Mascarenhas
26	Suziel L. D'Costa	"	D'Costa
27	Keny Fernandes	"	Fernandes
28	Suziel Fernandes	"	Fernandes
29	Suman Prasad	S.Y.B.Com	Prasad
30	JANICE GOMES	S.Y. B.Com	Gomes

Sr. No.	Name	Class	Initials
31	Princy Calado	S4 Bcom	Calado
32	Iona Dias	S4 Bcom	Dias
33	Arti Raikar	T4 Bcom	Raika
34	Crisentha Aija Vaz	T4 Bcom	Vaz
35	Nadia Vaz	S4 Bcom	NVaz
36	Shwilei Shah	S4 Bcom	Shah
37	Wilma Dias	S4 Bcom	Dias
38	Hinshi Mascarenhas	S4 Bcom	HMas
39	Ether Fernandes	S4 Bcom	Fernandes
40	Alisha Rodrigues	S4 Bcom	Rodrigues
41	Aleia Antas	S4 Bcom	Antas
42	Jouia Rodrigues	T4 Bcom	JRodrigues
43	SHINAM SHIVANI NAIDU	T4 Bcom	Shivani
44	POOJA KADAM	T4 Bcom	Kadam
45	G. Natasha	T4 Bcom	Natasha
46	Sai Parab.	T4 Bcom	Parab
47	MANISHA SHEKHAWAT	T4 Bcom	Shekhawat
48	Sabrina Gonsalves	T4 Bcom	Gonsalves
49	Rasika Neogi	T4 Bcom	Rasika
50	ANASWEHA FERNANDES	T4 Bcom	Fernandes
51	Swaney Fernandes	T4 Bcom	Fernandes
52	Adichia Albuquerque	T4 Bcom	Albuquerque
53	Everley Dias	S4 Bcom	Dias
54	Renisha Braganzo	S4 Bcom	Braganzo
55	Taymine Dsouza	S4 Bcom	Dsouza
56	Yashoda Karamani	T4 Bcom	Karamani
57	Anusha Gous	S4 Bcom	Gous
58	Tovita Coelho	"	Coelho
59	Anashia Fernandes	"	Fernandes
60	Coral Gama	} S4 Bcom	Gama
61	Pratibha Tiwari		Tiwari
62			
63			
64			
65			
66			



25/08/16
Thursday

LF	Debit (₹)	Credit (₹)
	1,92,000	1,92,000
	19,200	1,60,000
	40,000	32,000
	40,000	40,000
	40,000	40,000

PER

- Brush your
This will kee
have to wa

G. A -

16,000 sh @ ₹

16,000 sh @ = 25.4 - 0.5000

19

1,92,000 /

Mr. Allen Pinto instructing students on Business Etiquettes on 25th August 2016 in the F.Y.B.Com Lecture Hall

REPORT OF YOUNG ENTREPRENEURS FAIR HELD ON

14TH DECEMBER 2015

The Young Entrepreneurs Fair was organized by the Department of Commerce at Carmel College on the 14th of December 2015. The Young Entrepreneurs Fair is inspired by the Business Plan Competition held at the college as a part of Change Your Mind Set programme which is an entrepreneurial training programme of I Create, New York.

This fair was organized to concretize the knowledge gained by the students at the CMS programme as well as the classroom knowledge attained at the B.Com level and provide them with experiential learning as a method of curriculum enrichment.

The Young Entrepreneurs Fair was a huge success for the second year in succession. It was highly appreciated and well patronized by the buyers.

There were ten groups of entrepreneurs and one individual entrepreneur, each promoting, displaying and selling a wide range of items based on their skills, interest and hobbies.

Student entrepreneurs put up different stalls – named Food Craft Corner, Winnie's Creations, Mehandi Designs, Goan Delicacies, Bottle It Up, Carss Caterers, Navidads Sweets, Silver Angels Just Crafting, Plant Nursery and Aeflings Creations of Bow Bags.

The knowledge of the essentials of branding and its significance were internalized by the students through this exercise of naming their stalls and business ventures.

A wide variety of cuisine like rum balls, jujubes, kalkals catered to the demands of the festive season. Mehandi designs for the lovers of hand art, custom made bottle designs, bags and flowers for the lovers of creativity, plants for plant lovers were some of the items that were sold. Several food stalls were also put up offering palak pakoras, Goan sannas, sorpotel and soji.

The popularity of some of the business ideas was evident from the fact that the young entrepreneurs received further orders from the customers and executed these orders till January which was a time limit drawn for the execution of orders.

Students had the benefit of hands on experiential learning of actual market situation, customer handling, order taking and execution, billing, cash handling, marketing and promotion. The students did a thorough job of managing customers and satisfying them in a very professional way.



Officiating Principal
Carmel College of Arts, Science &
Commerce for Women
Nuvem - Goa.

Attendance for Young Entrepreneurs Fair 2015-2016

Name	14th December 2015
K.A.Malavika	P
Annu Singh	P
Sarah Martins	P
Christeen Raposo	P
Inessa Mendonca	P
Ria Rajan Lotliker	P
Clellan Fernandes	P
Josephina	P
Celvina Mendes	P
Princy Fernandes	P
Anasha Pereira	P
Binsu	P
Faygle Pereira	P
Fatima Suzie vaz	P
Rebecca Luis	P
Steffi Fernandes	P
Minguelit Melisa carvalho	P
Fenolea Mascarenhas	P
Afreen Ahmed	P
Safia Mokashi	P
Fervilla	P
Venisha faria	P
Sister Vinitha	P
Vinaya Kirloskar	P
Queeny Fernandes	P
Saviola	P
Janicia Fernandes	P
Alisha Furtado	P
Parveen	P
Radhika	P
Stacy Rego	P
Stacy Pereira	P
Anifa Mascarenhas	P
Reema Souza	P
Joyce	P
Sarita	P
Cynthia D'souza	P
Daisy	P
Patricia D'mello	P
Nishita Tendulkar	P
winnie norohna	P
Truvilla fernandes	P
Suzy Miranda	P
Xenia Vaz	P

(Name and Signature of Faculty)

Sayani D'osta
(SAJANI D'OSTA)

[Signature]
 Officiating Principal
 Carmel College of Arts, Science &
 Commerce for Women
 Nuvem - Goa.



Students selling decorative articles at the Young Entrepreneurs Fair on 14th December 2015 at Carmel College, Nuvem-Goa



CMS 2015

CMS program was developed by the National Foundation for Teaching Entrepreneurship (NFTE) in the US. This program was then adapted for India by I Create.

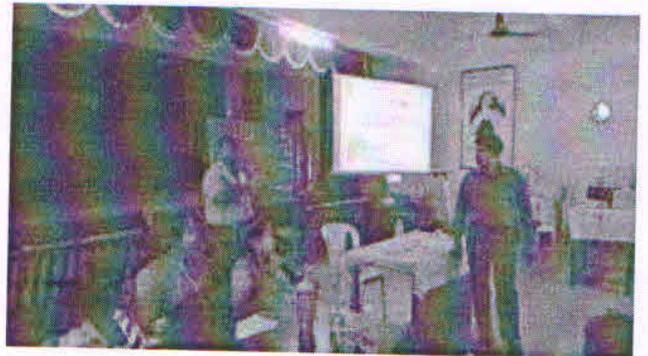
CMS program was organized for the TY Com students from 24th – 28th October 2015. The main aim of this program is to teach the students to become entrepreneurs - to be job creators instead of job seekers. This program moulds young minds to become strong, self-confident, honourable entrepreneurs who will not only become wealthy themselves but will give generously to the less fortunate ones in the society.

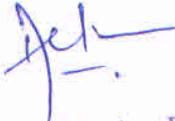
Twenty-Four students enrolled in this program. Master trainers were Ms Clare Noronha, Ms Smriti Bhambra, Mr. Moses Fernandes, Mr. Cicero Silva, Mr. Audhoot Satardekar, Ms Sumathi Satardekar and Ms Gladys D'Souza.

The Business Plan competition was held on 28th October at 10 a.m. The judges for this competition were Mr. Saesh Hegde, an entrepreneur and Mr. Cicero Silva, a national level trainer for I Create.

The students were divided into four groups. The group Vicious Delicious won the 1st place. Two individual business plans were also presented out of which Ms Winnie Noronha won the 1st place.

The activities of the CMS Program were coordinated by Ms Gladys D'Souza.




Officiating Principal
Carmel College of Arts, Science &
Commerce for Women
Nuvem - Goa.

CMS 2015

CMS program was developed by the National Foundation for Teaching Entrepreneurship (NFTE) in the US. This program was then adapted for India by I Create.

CMS program was organized for the TY Com students from 24th – 28th October 2015. The main aim of this program is to teach the students to become entrepreneurs - to be job creators instead of job seekers. This program moulds young minds to become strong, self-confident, honourable entrepreneurs who will not only become wealthy themselves but will give generously to the less fortunate ones in the society.

Twenty-Four students enrolled in this program. Master trainers were Ms Clare Noronha, Ms Smriti Bhambra, Mr. Moses Fernandes, Mr. Cicero Silva, Mr. Audhoot Satardekar, Ms Sumathi Satardekar and Ms Gladys D'Souza.

The Business Plan competition was held on 28th October at 10 a.m. The judges for this competition were Mr. Saesh Hegde, an entrepreneur and Mr. Cicero Silva, a national level trainer for I Create.

The students were divided into four groups. The group Vicious Delicious won the 1st place. Two individual business plans were also presented out of which Ms Winnie Noronha won the 1st place.

The activities of the CMS Program were coordinated by Ms Gladys D'Souza.







Change Your Mindset (CMS)

I Create
Grassroots Entrepreneurship
Facilitator Manual

A Practical Guide Using Active Learning Methodology

By:
Harsh Bhargava
Ulhas Kamat
Aruna Bhargava

Supported By Sir Dorabji Tata Trust and Allied Trusts

www.icreateindia.org



I CREATE INDIA

I Create
Grassroots Entrepreneurship
Facilitator Manual

A Practical Guide Using Active
Learning Methodology

Second Edition

By

Harsh Bhargava
Ulhas Kamat
Dr. Aruna Bhargava

© 2013 I Create, Inc. All rights reserved.

COPYRIGHT INFORMATION:

I Create, Inc. has the copyright on this Manual. This manual contains material protected under International and Federal Copyright Laws and Treaties. Any unauthorized reprint or use of this material is prohibited. No part of this manual may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system without express written permission from I Create, Inc. For any one requesting use of part or whole of a chapter, please obtain written permission from I Create, Inc. by sending an email request to lcreateinc@gmail.com.

Cover Design

Lens Interactive

Website: <http://www.lensinteractive.com>

Email: contactlens@lensinteractive.com

Phone: +91 80 42042594, +91 99801 60026

Thank You...

The technical content of the Manual is a product of over a year's labor of love but its physical production and translation in seven Indian languages would not have been possible but for the financial support provided by Sir Dorabji Tata Trust and Allied Trusts.

It is almost 10 years since the first Manual was created. Since then, I Create has developed an exceptional institutional capacity to create a powerful training program. This version of the manual is therefore not just a revision of the first manual but a complete overhaul. It incorporates feedback from the committed I Create Master Trainers who now have years of field experience.

We would like to acknowledge the contributions made by those who worked on the original manual and those who contributed to this version either in content or production. They are, in alphabetical order, Seema Agrawal, Venkatesh B.R, Erik Dauwen, Harvard Business School, Chitra Jagannath, Shwetha Kamat, Julie Kantor, Manindra Kapoor, Vijay Kapoor, Jayanthi Laxman, Sameesh Makhija, Steve Mariotti, Ranju Mehta, Ashok Mohanty, Sreoshi Moitra, Chandan Nandi, Network for Teaching Entrepreneurship (NFTE), Joseph Pius, Sehgal Foundation, Sandeep Sethi, Gopal Singh, Sunil Suresh, Anjana Tandon, and Tejaswani Venkatesh.

We wish to thank the thousands who have participated in various I Create workshops, seminars, and classes and provided their feedback. This feedback has been invaluable and has permitted us to create modules for different categories of audience from semi-literate rural women to unemployed college graduates, MBA level students and those in between.

One of the outcomes of the feedback has been that there is a great appreciation of I Create's participatory methodology and absence of theoretical content prevalent in the other entrepreneurship programs in the country. In fact, some of the teachers and professors from schools and colleges have adopted I Create methodology to their regular school and college subjects with incredible results in terms of absorption and retention of learning by the students.

We have done internet research for appropriate quotes and optional reading. Where the information about the source was identified, we have acknowledged them individually. For those we were unable to identify, we thank them.

Thank you all.

Table of Contents

DEDICATION	iii
About the Manual	v
1. Methodology	1
2. What Makes An Entrepreneur? Entrepreneurial Traits	13
3. Entrepreneurial Stories	21
4. Women and Business: Challenges & Solutions.....	37
5. Why Businesses Struggle	41
6. Idea to Execution: Essential Steps	45
7. Idea Generation – Newspaper Exercise.....	53
8. Idea Generation: Hobbies, Skills, Opportunities, Problems and Solutions.....	57
9. Moving Up the Value Chain	63
10. Franchising.....	69
11. Types of Businesses & Their Characteristics.....	77
12. Homework for Business.....	81
13. The Marketing Mix: 7 P’s of Marketing	89
14. Pricing	95
15. Business Arithmetic: Overview.....	101
16. Cash Book – What, How and Why	103
17. Types of Costs.....	115
18. Unit of Sale, Unit Cost and Unit Price	121
19. Income Statement & Break Even Analysis.....	127
20. Savita Saree Shop	139
21. Cash Flow Projections.....	145
22. Business Plan: Why & How	155
23. The Power of Networking.....	169
24. How to Network Effectively.....	175
25. Negotiation.....	181
26. Expanding Markets — A Learning Game	187
27. Intrapreneurship: Advanced Employability Skills	193
28. Communicating for Success in Business	195
29. Sources of Funds	201

30. Quality: What, Why and How.....	209
31. Business Structures	215
32. Excellence in Execution	223
33. Inexpensive Ways of Promotion	231

DEDICATION

This manual is a gift to you, the facilitators. The word facilitator is used in a generic sense and includes all teachers, professors, instructors and master facilitator, who play a very important role in creating a new, prosperous India by teaching their students, be it in an educational institution or outside it, to become entrepreneurs - to become job creators instead of job seekers. You, the facilitators, are the architects of India's prosperity. You will mold the minds of the young and not so young, motivate and train them to become strong, self-confident, honorable entrepreneurs who will not only become successful and wealthy themselves but who will also give generously to those who are less fortunate than they are.

I Create programs are highly interactive. When students actively participate in the training, they learn more. Therefore, please encourage your students to ask questions and to participate. Always make sure your comments are encouraging. Use props and audiovisuals. Avoid the lecture format. Above all, try to make it a fun learning experience.

We wish you all the best.

Harsh Bhargava
President
I Create, Inc.

Dr. Aruna Bhargava
Executive Director
I Create, Inc.

A successful person is one
who had a chance and took it.

-Anonymous

About the Manual

Teaching is more than imparting knowledge, it is inspiring change.

Learning is more than absorbing facts, it is acquiring understanding.

This manual is the upgraded and enhanced version of the previous one. This is a tool for you, the Facilitator. You have undergone I Create's Training of Trainers (TOT) program. You have experienced firsthand I Create's interactive methodology. This manual is developed to help you conduct the sessions in a similar fashion and be an effective Change Agent.

Structure and Content

The manual is for use by the Facilitators primarily for the "Aspiring Entrepreneurs' Workshops" (AEW), and for "Change the Mind Set" (CMS) programs in the educational and vocational institutions. What follows is an explanation of the structure of the manual, content to be covered in the various programs, the levels in each, and the duration for each.

Aspiring Entrepreneurs Workshop (AEW)

This program is conducted for those who want to consider starting their own businesses. In many cases, participants already have some skills and/or hobbies which they could convert into businesses. Typically, the program would run for 3 to 5 days. Those who then start their own businesses also end up becoming Job Creators, who are much needed for the prosperity of the country.

AEW has been categorized into four different levels based on the level of education of the participants (from semi-literate, as some women, and members of self-help groups are, to the educated unemployed youth), presence of skills and/or hobbies, and prior business experience etc. **Table A** summarizes these four groupings.

Table B provides the topics to be covered for each group and the duration of each. You may have a group that falls in between any two levels of this classification. In such a case, please use your discretion to decide on the sessions and the time allocation.

The topics in **Table B** are grouped in the I HOPE Mantra sequence, and not in the order they are to be covered during the workshop. The order to be covered in the actual workshop (i.e., Agenda/Time table) is left for the Facilitators and the Centre Director to decide.

A suggested Agenda/Time table is provided as a guideline in **Table C**. (It is recommended that the agenda need not be given to the participants but briefly explained at the beginning of the workshops.)

Change the Mind Set (CMS)

This program is conducted for Educational Institutions where the main focus is to motivate and help students learn practical entrepreneurship and employment skills. It allows them to consider entrepreneurship as a viable career alternative to seeking jobs. The program is conducted using I Create's unique motivational methodology and award winning practical curriculum of over 40 periods (spread over 1-2 semesters) or for one week of camp-style learning.

Our teaching, or more importantly the learning by the participants, takes place in intense participatory manner, with group exercises, learning games, and preparation and presentations of Business Plans. The BUSINESS PLAN Part of both AEW and CMS program is devoted to preparation of business plans by the participants. This is a very important feature of our training for the following reasons:

During the process of preparing a business plan, all the learning of the participants, be it marketing, finance, selling, product identification etc., comes together. This is where they start to put all the lessons learned into practice.

This is a group activity where participants learn to work together as a team and learn from each other.

The teams are required to present their business plans using computer based presentations wherever possible in front of a large group of peers and other invitees—often for the first time in their life. It helps build confidence in their oral communication abilities.

Entrepreneurship Awareness Programs (EAPs) and Refreshers

The EAPs are generally 2 to 3 hours in duration. We recommend the following sessions, mostly from the Manual, for the EAP programs:

General information about I Create as a whole and Entrepreneurship development program (You could show I Create's 7-minutes video if

have facilities there. If not, we can provide you a short slide presentation or write up.)

Like any other I Create event, please display I Create posters, press clippings and photos at the entrance.

I HOPE Mantra from the Module

Story from Everyday Entrepreneurs (whichever is most appropriate for the group) or some other inspirational local entrepreneur story.

Alternatively, or in addition, you may use the Types of Costs session to give a flavor of our methodology. Giving a sample of our methodology is critical.

Most importantly, make it fun and participatory and NOT a lecture program.

Ask and encourage participants to ask questions during each session.

Bottom line: Make it a motivational experience!

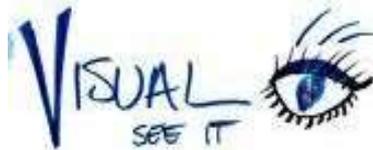
Refreshers

These are extremely important both as a follow up to the AEWs in general, and also for covering any specific areas the participants want covered again—often a Business Math area module.

There could be up to two refreshers after each AEW but there should be at least one, within 30 days of the AEW.

VAK Learning Styles

A brief note on Neil Fleming's VAK model covering Visual, Auditory and Kinesthetic—also known as tactile—meaning related to touch or feeling.



Visual Learners—Visual learners are those who generally think in terms of pictures. They often prefer to see things written down in a handout, text or on the overhead. They find maps, graphs, charts, and other visual learning tools to be extremely effective. They remember things best by seeing something written.



Auditory Learners—Auditory learners are those who generally learn best by listening. They typically like to learn through oral presentations, discussions, and reading aloud. They remember best through hearing or saying items aloud.



Kinesthetic Learners—Kinesthetic, also called tactile learners are those who learn best through touching, feeling, and experiencing that which they are trying to learn. They remember best by writing or physically manipulating the information.

During the I Create TOT program, you have seen and experienced the methodology catering to all three types of learning processes employed for high knowledge retention. Let us keep it that way.

Lesson plan format

The session plan format in the following pages includes learning objectives, special tools and props, activities and time allocation. You will also see some additional material incorporated in the form of optional further reading by way of useful links.

Please remember that the manual is to support your teaching effort and not as the primary teaching toolkit for a new Facilitator. All I Create Facilitators must go through the TOT where they have seen and experienced the methodology being practiced. So when you facilitate, we urge you to follow the same pattern. You may make some local variations in the style, time, humor, wit, stories, appropriate for the topic or for the target group and local situation.

Please never use humor that is either disrespectful or hurts any particular community, group, religion, region, handicapped community or gender. The basis of our offering is to treat all with respect and provide an experience to the participant that is uplifting, inspirational and empowering.

–Harsh Bhargava

Video clips of some of the TOT sessions have been uploaded to I Create Cloud Campus – Educator Circle and more will be uploaded with time. These are for your use – to refresh the techniques and methodologies in preparation for your sessions.

As much as the content and level are important to the I Create program, I Create’s methodology is central to the learning experience. A separate section on the methodology follows. If any section in this manual needs your prime attention, it is that.

Best Wishes for becoming an effective Facilitator and a Change Agent.

Ulhas Kamat
CEO, I Create India
Bangalore

1. Methodology

The purpose of leadership is to
build more leadership.

-Nikki Giovanni, African American Poet

As much as the content of our program is central to it, the methodology of how we deliver the program is equally central. One way to sum up our methodology is in the term we use for our Master Trainers. We call them Facilitators and not instructors. The difference is explained in the following quote from **Bill Wild, Director of the Life Cycle Institute**:

*“Use of the term **Facilitators** acknowledges that in addition to being experienced authorities on their topic, they have a passion for teaching and have developed this passion into a set of learning facilitation skills.*

*An **Instructor** is a content resource. Most content experts share their knowledge through writing or lectures. When they instruct, they appear as the “sage on the stage” imparting all knowledge to a passive participant. They control what is taught and when. A Facilitator, on the other hand, is a process manager first, a content resource second.*

Facilitators use their knowledge of how people learn to create an active environment that embraces participants’ prior knowledge and unique learning style. When they facilitate, they appear as a ‘guide by the side’ encouraging the sharing of knowledge by and with an active participant.”

As Facilitators at I Create classes and workshops, you carry a heavy responsibility of inspiring the participants to share knowledge interactively in an environment that is respectful of the opinions of all and yet draws the truth in a manner that all in the class understand; such that it promotes a motivational learning environment and where everyone is able to share with no fear of being chastised or looked down upon.

You have seen this I Create methodology at the TOTs. Let us now recap the specific points here.

3 Ps – You should **plan** your session, **prepare** yourself and **practice** your session beforehand.

Start by asking questions and thus making the participants feel involved.

Encourage the participants' active participation – a round of applause or a small chocolate for the first answer, or a different view point or alternative answer works wonders.

Be on the lookout for the shy participants and draw them out (without making them feel awkward).

Have a few appropriate anecdotes and humorous incidents (all very brief) to share.

Avoid using jargon and big words.

Remember the Keep It Short and Simple (KISS) principle. Remember it is not a place to show off how much you know but to provide the information that has practical value and nothing more. Read up more than what you need to share; but do not off load all that you know on the participants.

Use props—samples of products, packages, clippings, photos, graphs—to ensure better learning.

Do not always go to the same person for answers – encourage participation by all.

Be punctual and manage time well.

When an interesting question – but not really connected with the topic or appropriate for the level – comes up, try to put it on the “parking lot” and move on with the topic at hand. But do not forget to address it later on.

Do not be overly dependent on PowerPoint or such other tools. Use them for summing up. (Please be sure to follow the guidelines on doing a PowerPoint, provided elsewhere.)

Be a good communicator. Joining a Toast Masters Club in your town could be a good way to improve your skills in this area.

Be cognizant of your body language and avoid the kind that will create a wall between you and the participants. Move around the class and make eye contact with individual participants, always keeping a pleasant expression.

Be respectful to all your participants.

Handle a difficult person (you will always have one or two) with more tact than sternness.

If a particular method of explanation does not get the point across, try another way and not repeat the same one.

Be energetic and enthusiastic in the class. It rubs off.

Finally, relax and enjoy! It just comes out better that way.

Please Note:

- ✓ Visual and other Support: We will be uploading video recordings of TOT sessions, any useful links found on YouTube, additional reading material etc. on our I Create Cloud Campus. You can visit the site to refresh the module or to enhance your knowledge of the content.
- ✓ While we have indicated the timing for each of the sections within a module, the facilitator should treat that as indicative only. If the flow of discussion or activity or Q and A requires more time for the good of the class, the facilitator should feel free to adjust the timing.
- ✓ We have tried to pick simple quotes and placed them on the top of the modules. The purpose is bringing one key thought central to the learning objective of the lesson. You can simply write that on the blackboard and leave it there during the entire session.
- ✓ If you think you have a quote that is more suitable, please send it to us for review.
- ✓ Just like the quote, please do share with us any idea or suggestion for any part of the module that you identify when doing the training. Write your suggestions to the administrator at I Create Cloud Campus and send a copy to icreateinc@gmail.com.



Be respectful
to all your
participants.

TABLE A: AEW Levels & Characteristics of Participants

Characteristics	Level 1	Level 2	Level 3	Level 4
Education	Semi –literate but numerate.	Primary Education & numerate.	Secondary education or above and numerate.	Numerate & any level of literacy; Struggling Entrepreneurs.
Skills	May or may not have skills; no formal skills training.	May or may not have skills; no formal skills training.	ITI training; different skills like handicrafts tailoring, tool making, food processing etc.	Some may have skills, but not all.
Socio-Economic background	Rural, Urban Slum Dwellers, below or at about poverty line.	Rural, Urban or Peri-urban, below or at about poverty line.	Rural, Urban or Peri-urban.	Mostly urban; middle class.
Group or Organizations	Members of Self Help Groups, NGOs, Youth and women organizations.	Members of Self Help Groups, NGOs, Youth and women organizations.	Members of Self Help Groups, NGOs, Youth and women organizations.	People who have started some business but with no—or limited—training.
Gender	Either common or separate groups.	Either common or separate groups.	Either common or separate groups.	Either common or separate groups.
Age	18 and above. No upper limit. But the groups could be generally of the same generation.	18 and above. No upper limit. But the groups could be generally of the same generation.	18 and above. No upper limit. But the groups could be generally of the same generation.	18 and above. No upper limit. But the groups could be generally of the same generation.

Characteristics	Level 1	Level 2	Level 3	Level 4
Expected outcome	Some will think in terms of starting business using their skills and will work on a Biz plan with the help available. Others may hone their skills and get employment.	After the AEW training, or simultaneously, some would plan on acquiring skills and then move to start their own enterprise. Others may hone their skills to be able to get employment.	Some will work on to start their own business and for that will prepare their Biz plan. Others may hone their skills to be able to get employment.	Those whose business has been faltering with no idea why and how will now be able to take corrective action.

TABLE B: Recommended Topic & Time Allocation

Sl. No.	TYPE OF PROGRAM	CMS	AEW Level 1	AEW Level 2	AEW Level 3	AEW Level 4
	Beneficiary	Students age 17 to 23	Semi-literate but numerate	Primary Education & numerate	Secondary education or above and numerate	Numerate & level of literacy (Struggling Entrepreneurs)
TOPICS & Time Allocation (in minutes)						
	Pre Test	45				
About I Create						
1.1	I Create History, Mission & Methodology	15	15	15	15	15
1.2	About CMS & NBPC Program	30				
About Entrepreneurship						
2.1	What makes an Entrepreneur?	45	30	45	45	
2.2	Entrepreneurial Stories	45	30	45	45	
2.3	Women and Business – Challenges & Solutions		30	45	45	
2.4	Why Businesses Struggle					45
Idea to Execution						
3.1	Idea to Execution (I HOPE)	45		45	45	45
Idea Generation						
4.1	Idea Generation: Newspaper Exercise	45			45	
4.2	Idea Generation: Problem and Solution	45	30	45	45	45
4.3	Moving up the Value Chain				30	30
4.4	Franchising				30	30
Homework						
5.1	Types of Business & Their Characteristics	45	30	45	45	45
5.2	Home Work: Market Research & other research	45	30	45	45	45

5.3	The Marketing Mix	45	30	45	45	45
5.4	Pricing	30		30	30	30
Business Arithmetic						
6.1	Cash Book – What, How and Why	45	45	45	45	45
6.2	Types of Costs	45	45	45	45	45
6.3	Unit of Sale, Unit Cost and Unit Price	30	45	45	45	45
6.4	Income Statement & Break Even Point	90	45	45	45	45
6.5	Cash Flow Statement –How and Why	45	45	45	45	45
Business Plan						
7.1	Business Plan –Why and How	45	30	45	45	45
Execution						
8.1	Power of Networking (Part I)	45	30	45	45	45
8.2	How to Network Effectively (Part II)	45			45	45
8.3	Negotiation	45	30	45	45	45
8.4	Expanding Markets – A learning game	45	30	30	30	30
8.5	Communicating for success in business	45	30	30	30	30
8.6	Intrapreneurship	45				45
8.7	Sources of Funds	45	30	30	30	30
8.8	Quality: What, Why and How	45	30	30	30	30
8.9	Business Structures	45	30	30	30	30
8.10	Excellence in Execution	45		30	30	30
8.11	Inexpensive ways of promotion	45	30	30	45	45

Business Plan Selection/Presentation						
9.1	Working on Business Plan		225	345	345	300
9.2	Competition or presentation	180	105	105	105	105
	Post Test	45				
	Total Minutes	1,500	1,050	1,425	1,590	1,455
	Number of Days	5	3 to 4	4 to 5	4 to 5	4 to 5
	Number of Hours	25	18	24	27	25

NOTES:

- ✓ Topics to be covered for different levels are grouped under appropriate categories.
- ✓ This is not the sequence for covering topics. Please see **Table C** for the recommended sequence.
- ✓ We recommend that MTs and Directors modify the time table to meet the local conditions, as appropriate.
- ✓ Please form teams on day one by mid-day and have them start thinking of their business idea.
- ✓ Try to get one person of finance/accounting background in each of the groups, where possible.

TABLE C-1: Recommended Agenda (Time Table) – AEW Level 1

Sessions	Day 1	Day 2	Day 3	Day 4
Duration 15 minutes	Registration	Recap	Recap	
30 minutes	Inaugural Function; Faculty Intro, About I Create, Mission (15 minutes)	Types of Costs (45 minutes)	Cash Flow Statement–How & Why (45 minutes)	Working on Business Plan
30 minutes	Power of Networking Part 1	The Marketing Mix	Quality: What, Why & How	
30 minutes	What makes an Entrepreneur?	Unit of Sale, Unit Cost & Unit Price (45 minutes)	Sources of Funds	
15 minutes	BREAK	BREAK	BREAK	
30 minutes	Idea Generation: Problem and Solution	Inexpensive ways of Promotion	Women & Business – Challenges & Solutions	
30 minutes	Business Plan – Why & How & Team Formation	Income Statement & Break Even Point (45 minutes)	Accounts Revision	
45 minutes	LUNCH	LUNCH	LUNCH	
30 minutes	Negotiation	Expanding Markets – A learning game	Communicating for success in business	Biz Plan Competition
30 minutes	Cash Book – What, How and Why (45 minutes)	Business Structure	Guest Speaker	
15 minutes	BREAK	BREAK	BREAK	
30 minutes	Types of Businesses & their Characteristics	Entrepreneurial Stories	Working on Business Plan	
30 minutes	Home Work: Market Research & Other Research	Guest Speaker		

Note: This is only indicative. Please draw up your agenda – knowing your audience and local conditions.

Table C-2: Recommended Agenda (Time Table) – AEW Level 2

Sessions Starting (Time: 9:30 am)	Day 1	Day 2	Day 3	Day 4	Day 5
Duration 15 minutes	Registration	Recap	Recap	Recap	
45 minutes	Inaugural Function; Faculty Intro, About I Create, Mission (15 minutes)	Home Work: Market Research & other research	Cash Flow Statement – How & Why	Excellence in Execution (30 minutes)	
45 minutes	Power of Networking – (Part 1)	Types of Costs	Quality: What, Why & How (30 minutes)	Factors Affecting Pricing (30 minutes)	
45 minutes	What Makes an Entrepreneur?	The Marketing Mix	Business Structure (30 minutes)	Women & Business – Challenges & Solutions	Working on Business Plan
15 minutes	BREAK	BREAK	BREAK	BREAK	
45 minutes	Idea to Execution (I HOPE)	Unit of Sale, Unit Cost & Unit Price	Entrepreneurial Stories	Accounts Revision	
45 minutes	Business Plan – Why & How & Team Formation	Inexpensive ways of promotion (30 minutes)	Sources of Funds (30 minutes)	Open Session	
45 minutes	LUNCH	LUNCH	LUNCH	LUNCH	LUNCH
45 minutes	Idea Generation: Problem and Solution	Negotiation	Expanding Markets – A Learning game (30 minutes)	Working on	
45 minutes	Cash Book – What & How	Income Statement & Break Even Point	Communication – General	Plan	Biz Plan Competition
15 minutes	BREAK	BREAK	BREAK	BREAK	
45 minutes	Types of Business & Their Characteristics	Guest Speaker	Guest Speaker	Working on Business Plan	Valedictory Function

audience and local conditions.

Table C-3: Recommended Agenda (Time Table) – AEW Level 3

	Day 1	Day 2	Day 3	Day 4	Day 5
Duration 15 minutes	Registration	Recap	Recap	Recap	
45 minutes	Inaugural Function; Faculty Intro, About I Create, Mission (15 minutes)	Idea Generation: Problem and Solution	Cash Flow Statement – How & Why	Factors Affecting Pricing (30 minutes)	
45 minutes	Power of Networking (Part 1)	Types of Costs	Inexpensive ways of promotion	Sources of Funds (30 minutes)	
45 minutes	What Makes an Entrepreneur?	Home Work: Market Research & other research	Moving up the value chain (30 minutes)	Organizational Structure (30 minutes)	Working on Business Plan
15 minutes	BREAK	BREAK	BREAK	BREAK	
45 minutes	Idea to Execution (I HOPE)	Unit of Sale, Unit Cost & Unit Price	Franchising (30 minutes)	Accounts Revision	
45 minutes	Business Plan – Why & How & Team Formation	The Marketing Mix	Excellence in Execution (30 minutes)	Entrepreneurial Stories	
45 minutes	LUNCH	LUNCH	LUNCH	LUNCH	LUNCH
45 minutes	Idea Generation: Newspaper Exercise	Negotiation	Expanding Markets – A learning game (30 minutes)	Communication – General	
45 minutes	Cash Book –	Income Statement &	Quality: What, Why & How (30 minutes)	Working on	Biz Plan Competition
	What & How	Break Even Point	women & Business – Challenges & Solutions	Business Plan	
15 minutes	BREAK	BREAK	BREAK	BREAK	
45 minutes	Types of Business & Their Characteristics	Guest Speaker	Guest Speaker	Working on Business Plan	Valedictory Function

Note: This is only indicative. Please draw up your agenda – knowing your audience and local conditions.

Table C-4: Recommended Agenda (Time Table) – AEW Level 4

Sessions	Day 1	Day 2	Day 3	Day 4	Day5
Duration 15 minutes	Registration	Recap	Recap	Recap	
45 minutes	Inaugural Function; Faculty Intro, About I Create, Mission (15 minutes)	Types of Costs	Cash Flow Statement – How & Why	Excellence in Execution (30 minutes)	Working on Business Plan
45 minutes	Power of Networking (Part 1)	Market Research & other research	Quality: What, Why & How (30 minutes)	Business Structure (30 minutes)	
45 minutes	Idea to Execution (I HOPE)	Unit of Sale, Unit Cost & Unit Price	Moving up the value chain (30 minutes)	How to Network Effectively (Part 2)	
15 minutes	BREAK	BREAK	BREAK	BREAK	
45 minutes	Idea Generation: Problem and Solutions	The Marketing Mix	Franchising (30 minutes)	Why Businesses Struggle	
45 minutes	Business Plan – Why & How & Team Formation	Inexpensive ways of business promotion	Pricing (30 minutes)	Communicating for success in business	
45 minutes	LUNCH	LUNCH	LUNCH	LUNCH	LUNCH
45 minutes	Idea Generation: Newspaper exercise (30 minutes)	Negotiation	Expanding Markets – A learning game (30 minutes)	Accounts Revision	Biz Plan Competition
45 minutes	Cash Book – What & How	Income Statement & Break Even Point	Sources of Funds (30 minutes)	Open Session	
15 minutes	BREAK	BREAK	BREAK	BREAK	
45 minutes	Types of Business & Their Characteristics	Guest Speaker	Guest Speaker	Working on Business Plan	Valedictory Function

Note: This is only indicative. Please draw up your agenda knowing your audience and local conditions.

2. What Makes An Entrepreneur? Entrepreneurial Traits

Life has no limitations, except the ones
you make.

-Les Brown

Learning Objectives

- ✓ Increase awareness about who is an entrepreneur and the differences between an entrepreneur and an employee.
- ✓ Challenge preconceived ideas.
- ✓ Start discovering entrepreneurial traits within oneself and how to build on them.
- ✓ Learn to think out of the box: A fun exercise.

The first question to ask is:

What are the differences between an Entrepreneur and an Employee?

This should be a short question and answer session to make sure that all participants understand the difference between the two and understand who an entrepreneur is.

Take about five minutes for this Q and A session and have them give examples of entrepreneurs whenever possible.

Group Exercise 1:

Have the participants divide into groups of four and ask each group to list five traits of an entrepreneur such as “risk taker”. Ask them to rank the traits in order of importance. Give them three minutes to do this exercise. Also have them appoint a spokesperson. Try to pick a person who has not yet spoken. He or she will respond to the questions asked to the group by the facilitator.

Go around the class and ask each group to mention the most important trait on their list, and write it on the blackboard. Then go to each group

again and ask for the next important trait. Repeat this until you have gone to each group five times.

Explain to the participants that there is one rule: If a trait has already been mentioned earlier, don't repeat it; mention the next important trait that makes an entrepreneur different from an employee.

Now, ask if anyone has any questions or comments.

Group Exercise 2:

Have the same groups divide the 20 traits into two categories:

Category (a) traits: A successful entrepreneur will have some combination of these desirable traits—not all—such as: has determination, is hard-working etc.

Category (b) traits: These are non-essential for being an entrepreneur, but help, such as: cares for society, has a sense of humor etc.

Once the participants have identified the differences, they should identify an entrepreneur from India, from the *Everyday Entrepreneurs* book or anywhere else in the world, big or small, who has one or more traits from their list in category (a) only. Again, have them pick a group spokesperson—a different one this time—to give the names of the entrepreneurs they have selected. Go to each group asking for one trait in category (a) and the name of an entrepreneur who has that trait, the same way you did for Question 1.

List the traits and the entrepreneur identified on the board.

Now ask the following two questions to the entire class. Each participant should give his or her own answer this time and not answer as a group.

- i. What are the traits/qualities stated in category (a) on the board that you have? Take a piece of paper and write them down. **Tell them that they will not be asked to share with the class what they write on the piece of paper.**
- ii. Which are the traits of an entrepreneur in category (a) that you don't have but think you can acquire? Write it down on the piece of paper. Again this is just for you and not to share with any one and there is no exam.

Recognition Time

Now ask those who think they have one or more traits from both lists (i) and (ii) above, to stand up. (Almost all will stand up.)

“Now, those who wrote two or more traits keep standing and the rest sit down.”

“Now, those who wrote three or more traits keep standing and the rest sit down.”

In this manner, go up to five traits. Then, ask the class including those standing to give a big hand to those still standing at five traits!

The message is that you DON'T have to have all the traits in category (a) to start your own enterprise but that you can acquire some of them with determination and discipline. Read them the quote from Les Brown at the top of this lesson.

A fun exercise: (Time Permitting)

Ask the participants to connect the following nine dots using four straight lines. Tell them that they can neither overwrite a line that is already drawn nor can they lift their pen off the sheet of paper.

A•	B•	C•
D•	E•	F•
G•	H•	I•

If any participant has joined the dots, ask him to show his method to the class, otherwise you join the dots and explain that thinking outside the box and going out/beyond the limits, helps in finding solutions.

Thinking outside the box and going out/beyond the limits, helps in finding solutions.

Solution:

- Line One: First join ABC and continue the line beyond C.
- Line Two: Then join FH and continue the line straight down till it comes just below G

- Line Three: Then join GDA.
- Line Four: Lastly join AEI.

NOTE FOR FACILITATOR

You can use the tables below to enhance the class discussions. Most of the time, the trainees will come up with a list like this and more.

Sample Differences between an Entrepreneur and an Employee*

ENTREPRENEUR	EMPLOYEE
Creates jobs	Seeks jobs
Risk taker	Risk averse
Has flexibility and responsibility	No flexibility
Owner	No ownership
Manages	Is managed
Unlimited potential income	Fixed salary
Employer	Employee
Leaves Comfort Zone	Stays in Comfort Zone
Is own Boss: Creates his own destiny	Must follow Boss's instructions
Motivator	Motivated
Overall responsibility	Narrowly defined responsibility
Leader	Follower
Can transfer his business to others/children	Can't transfer his job to others/children

*Please note: Many of the qualities/traits may be there in an employee as well.

No entrepreneur will have all the traits mentioned here.

Desirable Traits of an Entrepreneur

NOTE FOR FACILITATOR

- Below is an illustrative list of traits for both categories: (a) and (b) all mixed together.
- Emphasize that no entrepreneur will have all the traits mentioned below.
- Students may come up with other traits and may classify them differently in category (a) or (b). That is fine if there is a reasonable explanation.

Desirable Traits of an Entrepreneur

Risk taker	Has money
Courageous	Parents were entrepreneurs
Flexible	Determination
Customer driven	Perseverance
Confidence	Sense of humor
Hard-working	Physically strong
Honest	Has supporting spouse or parents
Has a dream	Stays cool in adversity
Committed to succeed	Takes help from others
Gets a Mentor	Learns his trade well
Understands competition	Prepares a good Business Plan
Gets the Biz Plan vetted	Enthusiastic
Cheerful	Decisive
Good planner	Prompt
Cares for his Community	Efficient
Problem Solver	Looks for opportunities



I Create Entrepreneur couple who has created 60 jobs.

NOTE FOR FACILITATOR

On the day following the lesson above, give the students five minutes to complete this Self Rating Current Score and My Goal Sheet. This should be followed by the Stand up - Sit down fun exercise below. Total Time: 10 to 12 minutes.

Traits of an Entrepreneur: Self-Rating Sheet

No.	Traits	Explanation/ Rating	Current Score					My Goal				
			5	4	3	2	1	5	4	3	2	1
1	Confidence	Sure of oneself										
2	Risk Taking	Is willing to take calculated risk, able to take failures as lessons to be learned, and is not stigmatized by failure										
3	Vision	Able to think of long term goals										
4	Good Listener	Pays full attention										
5	Good Networker	Is adept at networking										
6	Adaptability / Flexible	Copes with new situations; keeps an open mind										
7	Competitiveness	Likes competition and winning										
8	Honest / Ethical	Is open, truthful										
9	Hard working	Is able to work hard and puts in efforts to complete the tasks										
10	Drive	Is highly motivated										
11	Perseverance	Sticks to task or goal, showing patience in face of hurdles										
12	Decisiveness	Takes decision and implements; does not procrastinate										
13	Search for opportunity	Always on the look-out for new opportunities, markets etc.										
14	Creative & Innovative	Creates new things to attract customers										
15	Problem Solver	Identifies problems & provide solutions										
16	Persuasiveness	Is able to convince others										
17	Initiative	Tries to get first mover advantage										
18	Inter personal Skills	Relates with customers, employees, suppliers, partners, financiers with confidence, dignity and warmth										

No.	Traits	Explanation/ Rating	Current Score					My Goal					
			5	4	3	2	1	5	4	3	2	1	
19	Efficient	Does not waste resources											
20	Passion & commitment	Has zeal to complete the chosen task or goal											

Notes:

“Rate yourself on a scale of 1 to 5 (5 being the highest). Be realistic in your rating. No one else sees your rating and no one will score highly in all or most of the qualities. (This is your **current score.**)”

“Set your goal on each quality – where you want to be.”

“Develop your action plan to improve your score by identifying steps you need to take in a selected category/quality and check your score every three months.”

To make it a bit more fun, have the students add all their score current ratings. “We will call it your **Current Entrepreneurial Score**. Then add your "My Goal" rating - this will be your short term **Target Entrepreneurial Score**.”

“Now write down the increase (difference between the two scores) on your sheet.” Again, tell them this is their personal score which they need not share with anyone.

Also, emphasize that there is no study that has set up a pass or fail Entrepreneurial Score. “This is only a qualitative observation and an exercise to help you grow your Entrepreneurial Score.”

Then to add more fun, play the stand up - sit down game. It goes as follows:

“Those who have an increase of at least five points, please stand.” (All are likely to stand.)

“Those who have at least 10 or more increase, keep standing, the rest sit down.” (Some may sit down.)

“Next, those who have at least 15 or more increase keep standing and the rest sit down.” (Don't want to go much higher than that since it may give unrealistic signals to the students.)

At this point give a big round of applause to those still standing at 15+ and ask all who planned to increase their Entrepreneurial Score to draw up a plan on how they will increase the score and check the progress every three months.

3. Entrepreneurial Stories

Most entrepreneurs don't have greater tolerance for risk than anyone else – they just define risk differently.

For some, working for someone else, reporting to a boss, and living under rules that didn't make sense were a lot riskier than creating their own business. For others, the risk of not pursuing their passion, of not making a meaningful impact on the world around them, felt much riskier than starting their own venture.

–Based on a Survey by Deborah Mills-Scofield

Learning Objectives

- ✓ Introduce the business path of a successful entrepreneur.
- ✓ Analyze the reasons for success and failure.
- ✓ Analyze the qualities of the entrepreneur.
- ✓ Encourage and motivate future entrepreneurs.
- ✓ Attract attention to the secret of their success.

Session Plan

Participants are given an assignment to read and the session is spent in discussing the case. For those with limited reading ability, one can narrate the story and discuss.

Materials Needed

- *Everyday Entrepreneurs*, the I Create book by Dr. Aruna Bhargava contains stories of twelve entrepreneurs who started from scratch, struggled, faced many challenges and ultimately succeeded. These are

entrepreneurs with whom the participants can identify. Fortunately, these entrepreneurs have shared the challenges they faced and the mistakes they made, thus the stories offer some great lessons for start-ups. The stories are motivational and interesting to read since they are written in easy prose.

Facilitator Tips

If you are in a city where you can invite the entrepreneur whose story is being discussed, you may invite him or her and have them sit at the back incognito while their story is being discussed. At the end, please invite and introduce the entrepreneur and have him or her comment on the discussion and take any more questions from the class. Students are always thrilled to see the entrepreneur they discussed among themselves.

If you find an entrepreneur story in *Everyday Entrepreneur* other than the two below, or on the I Create Cloud Campus, that is more suitable for the profile of your class, you are welcome to use it.

If you want to discuss some other entrepreneur story (outside of *Everyday Entrepreneur* or I Create Cloud Campus), please send it to us for a quick review of the story and the questions to be asked.

In every case, please make sure that the students have a copy of the story and they read it ahead of the actual class.

Note to Facilitator

Please distribute the story (whichever you have selected) one day before the class to all the participants and ask them to read it carefully. In the class next day, ask the questions provided at the end of the story, and any others that help in understanding the lessons learned from the entrepreneur story.

Suggestion: Two good stories to start with are those of Kulsum Malik and Satya Brata Dey. These stories are given on the following pages.

Please make sure that the students have a copy of the story and they read it ahead of the actual class.



IMAGE COURTESY OF SDMANIA / FREEDIGITALPHOTOS.NET

SATYA BRATA DEY

“Never be afraid to dream big. You can make your dreams come true”.

“We don’t just sell shoes to our customers. We also make them feel good. That’s what brings them back!”

Ever seen a long line outside a shoe store of people waiting in the scorching heat just to buy a pair of shoes? If you haven’t, you’ll see it outside Satya Brata Dey’s Shree Leather shoe stores in Kolkata.

From Rags to Riches

One dreary November morning in 1986, Satya left his home in Jamshedpur and came to Kolkata with little more than the clothes on his back. He wore a pair of corduroy pants, a shirt and a pair of sturdy shoes made by his father. Before he left home, his mother had pressed in his hands a few hundred-rupee notes, which he brought with him. Today, Satya Brata Dey is a millionaire, a crorepati—and what gives him the greatest satisfaction is that he provides jobs for people in West Bengal – a state where there are very few industries and over five million unemployed!

Parents had a strong influence on his life

Satya’s mother was always a strong woman and still is, even at the age of eighty. She believed in herself and encouraged Satya to do the same. “Son,” she would say stroking his unruly hair into place, “No matter what you do, always win. Remember that. Always win.” Satya learned his lesson well. He won—and he won against great odds.

Satya’s father owned a small shop in Jamshedpur where he made shoes. His shoes were so sturdy that they could last for twenty years. As a teenager, Satya often went to his father’s shop and helped him make shoes. That’s where he learned the fine art of making sturdy, good-looking shoes at a reasonable cost. It was this apprenticeship under a master shoemaker like his father that taught Satya a

priceless craft very early in life. Little did he know then that what he was learning in his father's humble shop in Jamshedpur would someday make him a millionaire, a "crorepati" in Kolkata. He would have laughed if someone had told him back then that, someday, he would create jobs for hundreds of people with this priceless craft that he learned from his father. When he remembers his father bending over his worktable making shoes day after day, tears glisten in his eyes. Tears of love and pride. He remembers his father's hands that had, over the years become hard and tough like the leather he worked with. Today, Satya would give anything to be able to hold those callused, wrinkled hands in his own and invite him to come and see the little empire that his son has built with what he taught him as a little boy. But Satya's father is no more. Whereas Satya manages a business worth crores, what he is most proud of is that even today, he can make shoes with his own hands.

From his beloved father, Satya learned another important lesson that would come in very handy for him later in life—that of dignity of labor: the value and worth of working with one's own hands. Because of his background, Satya has great respect for the working man. In his business, he treats his employees and workmen like family members and they in turn give him their undying loyalty. That is one of the secrets of his success.

What? Start your own business? That's despicable!

In Satya's Bengali community, running one's own business was not much respected. Starting a business was looked down upon. Businessmen were seen as people who amassed wealth at the cost of others. They took too much risk. What if the business failed? What would you do then? On the other hand, a secure government job was quite another thing. Becoming a "babu" in a government department was coveted. Once you got your foot in the door, nobody could fire you and, whether you worked or not, the government paid you and even when you retired the government took care of you. It gave you a pension. It was like your father-in-law's house. You were always a well-looked-after guest.

The second best thing to being a government employee was being in "Service", getting a job in someone else's business. Of course, if you had a job in somebody's private business enterprise, you didn't get as good marriage proposals as the government employee, but there was still hope for you. You had a job.

Making shoes was low in the prestige ladder

It was bad enough to do a risky thing like running one's own business, but making shoes? That was truly low down in the prestige ladder of the community. Satya had faced this kind of prejudice before. He remembers well the days he used to go to his father's shop after school to help out. One day, his father's friend said to him, "Why do you let your son come here and waste his time? Doesn't he have anything better to do? He should learn skills that would get him a job instead of doing this."

Satya remembered this comment made by his father's friend as he wandered down the streets of Kolkata looking for a place where he could start a business making shoes. Thank goodness he had learned the trade and art of making good shoes.

There were no jobs available and the last thing he wanted to do was join the ranks of the unemployed. But Satya had never considered looking for a job.

Satya dreamed big but reality hit hard

Ever since Satya was four or five he knew he wanted to have his own business. In Jamshedpur, he would look at the **TISCO** (Tata Iron and Steel Company) plant and say to himself, “Someday I will have a factory like this.”

Hot, tired and hungry, Satya wandered down the streets of Kolkata looking for a place that could be his “showroom” or shop. At the corner of a deserted street, he spotted a rundown showroom that was for rent. He used the money his mother gave him to pay the rent and moved in; it was his home and “show room” rolled in one. The “show room” was rat and cockroach infested. The paint on the walls was peeling. It was dingy, dirty and dimly lit. The windows were filthy and you could hardly see through them. The floor had several layers of dust caked with moisture. But for Satya, it was his dream showroom. It was his place.

Every night Satya washed his pants and shirt and hung them to dry. Often his corduroy pants were still wet in the morning. He wore the wet pants anyway and hoped that his body heat would dry them during the course of the day. “I was sweeper, painter, salesman, owner—everything rolled into one,” says Satya.

“Never be afraid to dream big,” he advises, “You can make your dreams come true”.

Even as he dreamed his big dreams, he continued to live in the filthy, run-down “show room”. He set about cleaning and fixing it. He swept and mopped until the floor shone. Then he cleaned the windows with soap and water until they sparkled and finally he painted the walls until the “Showroom” looked bright and attractive and ready for business.

Satya starts his business

Satya started his first business venture with buying six pairs of ladies’ chappals. He was determined not to borrow money from anybody. He sold the chappals at Rs.69 each and made a little profit, which he invested to buy more chappals. After a few months Satya made a profit of Rs.300 which thrilled him to no end. Now he was really in business!

Satya’s business philosophy develops

Satya’s showroom was in New Market. In those days, New Market used to close by 6pm. After 6 or 7pm the whole area used to be dark and deserted. But Satya opened his shop before anyone else and kept it open long after others had closed theirs. He did this even if there were no customers. What if there was one customer who needed shoes late in the day when the other shops were closed?

Gradually, over a period of time, Satya started to manufacture the shoes that he sold in his store. He positioned his shoes as poor man’s shoes—of good quality and inexpensive. He kept his margins low to attract a large number of customers. Even though his shoes were meant to attract the low-income customers, many ministers and business people also bought his shoes. Soon, satisfied customers brought their

friends and family and his business started to grow by leaps and bounds. He had a winning combination for success – the quality was good and the price was right.

The shrewd businessman that Satya is, he kept other manufacturers' products as well, so the customers could compare and see that Shree Leather shoes were cheaper and better.

Customer Service is of prime importance

Customer service is always very important at Shree Leather stores. Satya offers his customers tea, coffee or coke at his stores so that they would sit, spend some time and buy more than they had originally come to buy.

Satya told me the story of a woman who was standing outside his store one day waiting for a sari shop across the street to open. His salesman invited her in and asked her to sit and wait in the store. She came in and sat down in the comfortably air-conditioned store. The salesman offered her coffee. She had some. She started to look at the different shoes displayed in the store. Without anyone trying to sell her anything, she ended up buying 12 pairs of shoes.

"We don't just sell shoes. We make our customers feel good. That's what brings them back," says Satya Brata Dey.

Cut out the middleman

Since Satya manufactures his own shoes there are no middlemen to pay. He can afford to sell his shoes at a lower price than Bata and other large companies who have huge overheads. If he has to import something from abroad such as material for soles, which he gets from the UK, he imports it directly from the manufacturer there. Thus, once again, he avoids paying the middlemen.

A kind gentleman

Satya is a gentle, kind-hearted man. He had tears in his eyes as he narrated the following story. A man came to his store and bought a pair of ladies' chappals and then burst into tears. When Satya asked him what happened, he said, "Only yesterday my daughter came to buy chappals from your store but the line outside your store was so long that she went back home without making the purchase. On the way back she met with an accident and died. So I decided to fulfill her desire and came to buy these chappals." Satya presented the chappals to the father free of cost.

"Some people are addicted to buying shoes", says Satya, "or perhaps they come here because of the customer service. There is a lady doctor who comes in everyday and buys a pair of shoes. She sits chatting with the salesmen and then leaves. Once, one of the salesmen developed cancer. The lady doctor looked after him and took such good care of him as if he were a member of her own family."

He keeps his employees happy and motivated

Satya firmly believes that motivating the staff and keeping them happy is critical for the success of any business. A disgruntled or unhappy employee will not provide

good customer service. And customer service is what keeps people coming back and that is what makes the business successful.

“How do you motivate your staff?” I asked.

“I have staff who have been with me right from the very beginning. I treat them like family. I keep them in good humor. I spend time talking with them and help solve their problems. My staff members don’t feel like employees. They feel like they are the owners.”

Satya has a small team of dedicated managers who work long hours, sometimes as much as from 6 am until midnight.

“The third important key to a successful business is paying the vendors and suppliers on time,” says Satya. He loses his temper if his vendors and suppliers are not paid on time.

Sources of stress

Satya’s biggest source of stress comes from government authorities. “Small bureaucrats and government employees harass for no reason whatsoever,” he says. To illustrate his point, he told me the following story.

Satya was getting a new showroom constructed. He had taken permission from the Kolkata Municipal Corporation and everything was legal and above board. The construction started and then one day out of the blue, some policemen arrived and ordered the work to be stopped. They demanded a huge bribe. Satya’s manager negotiated and settled for a lower sum. But when Satya came to know of it, he was furious and refused to pay a single paisa. He said he wasn’t going to bribe. He contacted some higher authorities in the police department and the government and the policemen left. The work continued. Then one day a couple of Kolkata municipal corporation employees arrived. They started finding faults with the construction. Now they wanted a bribe. Once again he had to approach the higher authorities to solve the problem. These kinds of harassment and hassles cause unnecessary delays and making doing business stressful.

Shree Leather has about 15 outlets in Eastern India. He has only one showroom of his own; the rest are all franchises. There is such a great demand for his franchises that people come with recommendations from the Prime Ministers and the Finance Minister. Some people come with briefcases full of money requesting a franchisee. But Satya Brata is very choosy about giving franchisees because the quality and his hard won reputation are very important to him.

Satya’s shoes are sold in many countries abroad such as Greece, Austria, Netherlands, Germany, UK, USA, Singapore and Saudi Arabia. But, in these countries, they are sold as non-brand name shoes.

Satya has reached a point in life when expansion has taken on a new meaning and purpose. Expansion for its own sake doesn’t mean much to him. He makes enough money and expansion would only mean more stress for him. But creating jobs is

important to him. West Bengal doesn't have many industries and jobs are scarce. He feels that it would be selfish of him not to expand. He wants to create as many jobs as he can. He believes that creating jobs is the best service he can do for the society. He employs about 150 people in his factory and outlets and, in addition, if each of his fifteen franchises employs about ten people, then Satya has created employment for at least 300 people. It's a win-win situation.

Shree Leather is worth several crores today. The young man who came to Kolkata with only the clothes on his back and a fistful of money has come a long way. His secret? Hard work, dignity of labor and big dreams.

Important principles for starting and running a business

Start a business in the area of your expertise.

Dignity of Labor. Be proud to work with your own hands.

Dare to dream big and make your dream into a reality.

Customer service is of prime importance. It is because of your customer that you have business. Remember, the customer is always right.

Treat employees with respect and care.

The best service you can do for your community is to create jobs.

Questions

1. Where did Satya learn to make shoes?
2. Did Satya start his business in the area of his expertise?
3. What were some of the hardships Satya faced in starting his own business?
4. What do you find most inspiring about Satya's story?
5. What did Satya dream of doing ever since he was a child in Jamshedpur?



IMAGE COURTESY OF SDMANIA / FREE DIGITAL PHOTOS.NET

KULSUM MALIK

“The deaf and mute are very intelligent. Just as the blind develop their other senses such as hearing and touch more sharply than the rest of us, the deaf and mute develop very sharp intelligence. Every business should hire one or two deaf and mute persons. They will be great assets to their business. I guarantee that.”

“I tell my children, ‘Look to the ground when you walk. Be humble. What we have today is a gift from God. If he decides, he can take it all away in a minute.’”

Kulsum Malik—a gentle woman -with a heart of gold. A shrewd and successful businesswoman with a social conscience. A wealthy woman with endearing humility and infinite gratitude to God for what she has received. Kulsum Malik, in her own unique way makes the world a better and kinder place to live in.

A beautiful and cheerful place of business

As soon as you enter Kulsum's beauty clinic, Kaya Kalpa, what strikes you most is the brightness and cheerfulness that pervades the place. Women in lab coats smile and chat with the clients as they do their hair or make up or manicure or pedicure. The aroma of coffee brewing invites you to feel at home. A young trainee carries a tray of coffee mugs with steaming coffee to the clients. But there is something different about this trainee. She doesn't look "normal." There is another trainee who has a similar expression who is running errands, washing combs and brushes, setting the place in order. I later learn that these two trainees are a little retarded and have come from an organization called DISHA which trains and takes care of many such children and teenagers. Kulsum provides free training to two such girls and boys in each of her six clinics in Jaipur. Of the six clinics, four are for women and two for men. Only women work in the women's clinics and only men in men's clinics. She believes that this makes everyone feel comfortable.

Similarly, two young women from SOS village for orphaned children also receive training at each of Kulsum's clinics. They are now employed there full time. One of them is the receptionist.

Two beautiful, smiling, elegant young women, perhaps 17 or 18 years old, do my manicure and pedicure. I try to talk to them but they merely nod and smile. Soon I learn that these girls are deaf and mute. Kulsum trained these girls in beauty culture, again free of cost, and has now employed them full time in her clinic. Two such deaf and mute girls and boys work at each of Kulsum's six clinics.

Why is Kulsum so committed to providing training and jobs to disadvantaged and handicapped young people? What is her motivation? Wouldn't it be easier and more cost effective to hire "normal," trained people?

Kulsum says, "The deaf and mute are very intelligent. Just as the blind develop their other senses such as hearing and touch more sharply than the rest of us, the deaf and mute develop very sharp intelligence. Every business should hire one or two deaf and mute. They will be great assets to their businesses. I guarantee that."

Family background

Kulsum's father, the only son of a nawab, was deaf and mute. His father owned 52 villages near Sardhana. So when her mother fell in love with the son of such a wealthy nawab, her mother's parents didn't object even though he was deaf and mute. But as luck would have it, Kulsum's mother and father lost everything and fell on very hard times. Her mother, the daughter of a wealthy nawab herself, had to struggle very hard. Kulsum has eight brothers and sisters. Raising such a large family was not easy for her parents. To make things even worse, her father died in an accident. He was crossing the road when a truck hit him. He didn't hear its roar as it came staggering towards him, nor did he hear the blaring of its horn. Kulsum's mother was suddenly widowed with eight children to raise. Kulsum realized at a very young age that she and her brothers and sisters would have to fend for themselves as soon as they could. They would also have to look after their mother.

Kulsum always wanted to be a beautician but in a Muslim family that was unheard of. She went to school and finished 12th standard but studying beyond that was not encouraged.

A broken arm accidentally opens the doors to her future

Things changed dramatically for Kulsum when she fell and broke her arm. The family decided that she should go to Jaipur to get it properly attended to. Jaipur is famous for its medical facilities. Sardhana didn't have much to offer in medical treatment. So Kulsum went to Jaipur and was admitted into the hospital, her bone was properly set and arm plastered.

During the long hours in the hospital, Kulsum used to spend a lot of time listening to the radio. One day, she heard an interview with Mrs. Singh, the wife of an IAS officer. Mrs. Singh, herself a beautician, said that she believed that being a beautician was an excellent career for women. It was 1977 then and there were hardly any beauty parlors in Jaipur. Mrs. Singh said that she encouraged young

women to go into this business. There was a need for beauty parlors in Jaipur. Even though not too many people knew about the beauty business, it was the business of the future and it was going to take off.

That is all Kulsum needed to hear. She was excited. This was what she had always wanted to do and here was someone who was actually doing it and recommending it to other women. She threw a shawl over her bandaged arm and stepped out of the hospital. She hailed a taxi and went to see Mrs. Singh.

"I heard your interview on the radio. I have always wanted to be a beautician, please would you teach me?" she requested. Mrs. Singh readily agreed.

When Kulsum was discharged from the hospital, she joined Mrs. Singh's beauty course. It was a three month course. She learned enthusiastically. She loved every moment of it. At the end of three months, with a certificate in hand, Kulsum began looking for a job. Since there were so few beauty parlors in Jaipur, finding a job was not easy. Of course, Kulsum's dream was to start her own beauty parlor eventually. But before she could do that, she needed to find a job, earn some money and get some experience.

First job and the beginning of a career

Rambagh Palace Hotel, one of the few five star hotels in Jaipur, had a beauty parlor. They had a hair dresser in the parlor but no beautician. So when Kulsum applied for the job she was hired immediately. She was jubilant. She actually got herself a job! She would now get a pay cheque! Just the thought of being financially independent made her self-confidence soar. She felt she was walking on cloud nine. She was ecstatic. But she was more determined than ever that someday she would start her own parlor. She was not going to be an employee beautician for the rest other life. Someday soon, I'll have my own parlor and be my own boss, she thought.

Kulsum worked at the Rambagh Hotel beauty parlor for one year. She worked hard and learned the business. With her cheerful, friendly disposition, she befriended many of the clients who came there. During that year, she lived very frugally and saved as much as she could.

Kulsum falls in love

Kulsum met her future husband at the Rambagh Palace Hotel. Anil Malik worked at the hotel. They met and soon became friends. Before long, that friendship developed into love. They wanted to get married. But there was one problem—Kulsum was Muslim and Anil was Hindu. Anil's family was strongly opposed to the marriage. They wanted him to marry a Hindu girl and no matter how much Anil tried to convince them, they wouldn't budge an inch from their position.

Kulsum's mother didn't object. When she met Anil and saw what a nice and caring young man he was and that he had a good job with the hotel industry, she felt confident that he would take good care of her daughter. However, Anil and Kulsum decided to wait for a while. Maybe his parents would change their minds. Maybe they would come around and accept Kulsum as their daughter-in-law. But that didn't happen for a long time.

Her dream comes true

At the end of the year, Kulsum began looking for a small shop to rent where she could have her own beauty parlor. She didn't know about market surveys. She didn't know if the parlor would be more successful in a residential area or in the middle of a busy market. Which of these would attract more women customers? Today, her beauty clinics are in residential areas. Today she knows that women prefer not to go to the bazaar for beauty treatments; they go there for their shopping. They are often there with their husbands or with other family members. Beauty treatment is an activity that has to be done at leisure. And women prefer it not too far from home. But she didn't know all this then.

Someone told her about a small shop available for rent in Jayanti market, which is on a street off the main street of Jaipur, MI road. Jayanti market was quite lonely then and this shop was at the end of the street. But Kulsum didn't have many choices, so she decided to rent it.

The problem of finance

There was one big problem—finance. It wasn't enough to just rent the shop. She needed furniture, and equipment. That would cost money. She figured out that she would need about Rs.30,000 to get her business going. She had about Rs.20,000. She borrowed five thousand from her family and applied to the bank for a loan of Rs.5,000.

But there was another big problem! The bank wanted a guarantor for the loan and a male guarantor at that! Kulsum had no one in Jaipur whom she could ask to be a guarantor for a loan. Who would take that risk for her except her family? And she had no family in Jaipur.

Kulsum had a very kind and helpful landlord. One day when Kulsum looked very sad and worried, he asked her what the problem was. She told him that she had most of the money she needed to start her parlor. She was about Rs.5,000 short. The bank was willing to loan her the money but they needed a guarantor and she had no one whom she could ask.

"I will be your guarantor," he said. "Come on, let's go right now. You are such a capable, determined woman, I have no doubt that you will succeed."

Her landlord became her guarantor and she got the loan.

Kulsum starts her own parlor

Kulsum called her parlor "Femina Beauty Parlor". But she didn't advertise; she didn't have money for that. She merely relied on word of mouth publicity. Some of her clients from Rambagh Palace Hotel parlor, who liked her and were loyal to her, followed her to her new shop and they told their friends. But this is a slow process. Her clientele grew very slowly. Meanwhile, she had to pay her rent, electricity and water bills.

On some days, business was good and she made a hundred rupees. On other days she was lucky if she made ten. But Kulsum stayed in her shop from morning until

seven in the evening whether there were clients or not. And, if at the end of the day, as she was walking back home, she met a client on the road who wanted threading of the eyebrows done (which cost Rs.3 in those days) she would turn around and go right back to her shop, reopen it and do the threading. She didn't want to turn away any client. If she made enough money in a month to pay her bills, she was happy.

Sometimes she felt scared as she sat alone in her parlor waiting for clients. As the afternoon sun slid away and the evening shadows crept in, the Jayanti market became a lonely place. Besides, her shop was at the end of the street away from the main MI road. But she held on. She never closed shop before 7 p.m. What if a client showed up? She didn't want her to find her shop closed.

Gradually, the word got around that there was a Femina beauty parlor in Jayanti Market. A few more clients started going to her. She soon had a few regulars.

Home visits for beauty treatments

Some of the wealthy clients wanted her to go to their homes and give them beauty treatment. They paid well. Also for weddings and special occasions, people asked her to go to their homes to do hairstyles and makeup.

Most of her clients were nice and treated her with respect. But, occasionally, the men folk would make cheap remarks or say something like, "When are you going to do my facial, sweetheart?" Remarks like this burned her up. But she would keep calm and politely tell them that she only did facials for women.

Some clients were insensitive. Once she had gone to someone's house to do make up for the bride. When she finished, the bride's mother asked how much was her fee. Kulsum said Rs.100. The mother took out a Rs.100 note, waved it over the bride's head (as in removing 'nazar') and gave it to Kulsum. Kulsum was furious. She refused to touch that money. She said to the mother, "Give this note to your servant or some beggar. Go and get me another note for this is my fee not charity." The woman went in and got her another Rs.100 note and gave her.

Trains with Shahnaz Hussein

In 1978, Anil Malik was transferred to Delhi to the Taj Palace Hotel. Kulsum used to go to Delhi to meet him. One day Shahnaz Hussein happened to be in the hotel when Kulsum visited. Anil introduced Kulsum to Shahnaz. In those days, Shahnaz was not yet famous. She lived in a rented-house and held beauty culture courses in her garage. Kulsum expressed an interest in joining the 6 month beauty culture course with Shahnaz Hussein. Shahnaz agreed and was very kind and helpful to her. After the course, she decided to start a Shahnaz Hussein Franchise in Jaipur. But she didn't have the money to buy the franchise. "Can I pay you in installments?" Kulsum asked. Shahnaz agreed but she insisted that Kulsum's beauty parlor be called Shahnaz Hussein beauty parlor and not Femina Beauty parlor. Kulsum agreed. Kulsum used the Shahnaz Hussein beauty products and liked them very much.

Kulsum gets married

Anil and Kulsum decided that they didn't want to wait any more. They wanted to get married. But Anil's family continued to object. They finally decided to get married anyway. They had a court marriage and a 'Nikah.'

Kulsum becomes successful

Soon Kulsum became very successful and well known in Jaipur as a beautician. She was still running the Shahnaz Hussein franchise.

A few years later, Kulsum decided to go into business for herself. By now she knew enough about beauty products and the beauty business. She started Kaya Kalpa and began manufacturing her own beauty products. Shahnaz withdrew her franchise from Kulsum and Kulsum went ahead full steam with her Kaya Kalpa range of products.

Today, in Jaipur area, Kaya Kalpa is a household name and is very well respected. Kulsum maintains high standards in her product quality. She treats her employees with respect and love and maintains a very healthy and happy work environment.

Her uniqueness lies in her compassion for the handicapped, whether they are deaf and mute, or mentally retarded. She also has a special soft corner for orphaned children. In her small way she tries to help them by providing them with training and employment.

Dignity of labor

No job was too small for Kulsum. In her small shop in Jayanti market, she cut hair, did pedicures, manicures, facials and other beauty treatments and also swept the floors and cleaned the surroundings. She kept her parlor spotlessly clean.

Now that Kulsum is successful, some people who knew her in the Jayanti market days pass comments like, "Now she has become a memsahib and rides in air conditioned cars but there was a time when she swept the floors of her shop and went to people's hotel rooms to do their hair."

"Yes," says Kulsum, "I did all that and I am proud that I worked hard and achieved success without any contacts or any outside help." She believes that no work is big or small. Every work deserves respect.

Exports and franchises

Today, Kulsum Kaya Kalpa beauty products are exported to many countries including Australia as Omveda beauty products.

Her beauty parlors are now called beauty clinics. She has six of them in Jaipur—four for women and two for men. She has also sold franchises of Kaya Kalpa to beauticians in other cities in Rajasthan such as Bikaner, Jodhpur and Udaipur where they have started Kaya Kalpa clinics. She has a beauty clinic on the prestigious, luxury train, Palace on Wheels.

An attitude of gratitude

Success has not made Kulsum arrogant in anyway. On the contrary, she always remembers the hard days and remembers to be grateful for what she now has. She tells her children, "Look to the ground when you walk. Be humble. What we have today is a gift from God. If he decides, he can take it away in a minute."

Advice to aspiring entrepreneurs

According to Kulsum, four factors are important for success: patience, hard work, determination and luck.

Patience: Much as we would like our businesses to succeed overnight, that does not happen. We just have to be patient and keep at it. Gradually, the business will get bigger as people come to know about you. The best publicity is "word of mouth." A satisfied customer or client tells her/his friend and so on. And that takes time. However, that kind of gradual growth which depends on loyal, satisfied customers or clients lasts. So be patient and don't give up if things don't work out at first.

Hard work: There is no substitute for hard work. If you want to succeed in your business, don't be afraid of hard work. Be prepared to work long hours and be prepared to sweep the floors and clean the bathrooms, if need be. No work is below you. With this attitude, you will definitely succeed. Make your work place clean and beautiful. You will feel good about spending long hours in a beautiful place and so will your clients.

Determination: Determination is very important. Make up your mind that no matter what, you will succeed. That doesn't mean you must be rigid. Be flexible and learn from others but be determined that you will succeed and you will. Don't give up.

Luck: According to Kulsum, we cannot overlook the role of good luck and the grace of God. Being in the right place at the right time truly helps. For example; had she not been in Jaipur in the hospital with the broken arm, she wouldn't have heard the interview with Mrs. Singh, on the radio. Mrs. Singh was her first teacher in beauty culture. Then, had she not been in Delhi visiting her fiancée Anil Malik on the day Shahnaz Hussein visited the Taj, she wouldn't have met her. She considers Shahnaz Hussein as her mentor. Had her kind landlord not offered to be her guarantor, she wouldn't have received the bank loan that helped her start her business. Kulsum says that luck played an important part in her success.

Kulsum's patience, determination, hard work and good luck have paid off abundantly. Today, her business is worth several crores. Her husband, Anil Malik, has given up his job in the hotel industry and now helps manage their business—Kaya Kalpa.

Important principles for starting and running a business

Appreciate the dignity of labor. When you are running your own business, consider no job to be below your dignity. Sweep, clean, do

whatever it takes to make your place of business clean and beautiful.

Decide what you want to do and then go after it with a single pointed mind. Opportunities will come your way.

Take courses and learn as much as you can about your business. Become an expert in your field.

Train and employ a couple of handicapped people in your business. This way, you help them as well as your business.

Questions

1. What did you find most inspiring about Kulsum Malik's story?
2. What would you have done differently if you were in Kulsum's place?
3. Why is Kulsum so committed to helping the handicapped?
4. What were some of the struggles and hardships Kulsum faced in starting her business as a beautician?
5. How did Kulsum train herself in the beauty culture business?

4. Women and Business: Challenges & Solutions

When you empower a woman economically, you empower all her future generations.

–Dr. Aruna Bhargava

Learning Objectives

- ✓ Understand the challenges faced by women in starting a business.
- ✓ Identify possible solutions to these challenges.
- ✓ Help women participants in promoting self-confidence, improving self-image, ensuring participation in decision-making, acquiring financial autonomy and improving the quality of life.

Session Plan

This session is applicable to all levels.

IMPORTANT NOTE TO FACILITATOR

This would be an ideal lesson to invite a local woman entrepreneur, who is both a good speaker and willing to share the challenges she faced and how she overcame them. She could have the second half of the session and the first half could be the activity as shown below but shortened as suggested below.

1. Invite a successful local woman entrepreneur — and ask her to tell her story right from the beginning with her earliest thoughts on setting up a business and all the steps she took for planning and execution. She should especially explain the difficulties faced and how she overcame the same.

It is important to brief the guest politely but in clear terms that the focus is on what specific problems she faced and how she overcame them.

Otherwise the guest speakers may go into generalities and describe all their achievements. Also tell them to limit the talk to 15 minutes and Q and A for ten minutes. If the guest is more comfortable with Q and A and less with the talk, you can reduce the talk time and increase the Q and A time.

TIP: Often students hesitate to ask questions. Please ask one of the students from the front of the class to help start the session by asking a question so others feel emboldened to ask questions as well.

2. If (1) above is not possible, make copies of any one story of I Create women entrepreneurs from the book “Everyday Entrepreneurs” by Dr. Aruna Bhargava. (These stories are available on the Educator Circle of I Create Cloud Campus.) Have the class read them and ask one volunteer per group to take a story and identify one or two problems faced by the women entrepreneurs and how they overcame them.

TIP: Students often hesitate to ask questions. Please ask one of the students to help start the session by asking a question so others feel emboldened to ask questions as well.

Activity

- Participants should be already seated with their teams. If not, please ask them to sit down.
- Ask each team to list the challenges faced by women in starting a business. Emphasize that you are not looking for challenges that women face in general, but only those related to starting a business. Also, these are to be problems specific to women and not general problems common to both male and female entrepreneurs.
- Give five minutes to the teams to come up with their list.

- Meanwhile, make seven columns on the board and provide the following headings:

Family	Lack of knowledge
Financial	Literacy Related, and
Societal	Personal
Travel Related	

- Ask each team to read out what they consider as the biggest challenge a woman faces for starting a business. The Facilitator should list each one under the appropriate heading. There may be some differences of opinions on the category. Don't fret too much about that. It is important to identify the key problems rather than the classification. (Classification is important while calculating costs, where you need to identify costs by categories.) Then move to the second and third round asking for the second biggest challenge and finally the third biggest.
- If groups have the same item in their rounds, please list them again. It is important to get a sense of what the group considers as important issues women face.

The three rounds should take about five minutes.

Now that the identification of challenges is done, we move on to finding possible local solutions to these challenges.

- Allocate one of the seven headings to each team and ask the members to discuss and identify possible solutions to overcome the challenges. Give about 5 minutes for this task.
- Now, let each team give the solutions to the challenges.
- Move from one team to the next and cover all the challenges listed.
- Make a list of solutions on the board (or laptop) as these are being debated.
- This last segment would be about five minutes as well.

Optional Reading/Viewing

Weblinks

- Problems faced by women:
http://wiki.answers.com/Q/What_are_the_problems_faced_by_women_entrepreneurs_in_business

Videos

- Woman Entrepreneurs:
http://www.youtube.com/watch?v=vU2QIXCnOXE&feature=player_embedded

5. Why Businesses Struggle

Nobody likes to fail but failure is an essential part of life and of learning. If your uniform isn't dirty, you haven't been in the game.

–Ben Bernanke, Chairman, US Fed Reserve

Learning Objectives:

- ✓ Explore the reasons why some businesses struggle.
- ✓ Identify how the issues can be fixed.

Session Plan

This session is for Level 4 AEW – primarily if there are some struggling entrepreneurs.



IMAGE COURTESY OF RENJITH KRISHNAN / FREEDIGITALPHOTOS.NET

This is a good module for participants who are already in business but struggling. It is also good for those seriously thinking of starting their business.

Note to Facilitators

This is a good module for participants who are already in business but struggling. It is also good for those seriously thinking of starting their business. It looks at business success factors from a different perspective by identifying the pitfalls to avoid.

It has two central activities. Activity one would be followed by a short case study based on a real-life situation from among any of the struggling entrepreneurs who is willing to get his or her case studied so he or she can have the views and suggestions from the rest of the participants.

Three things to remember for planning this module:

- Announce this module in the second or third session of the CMS program or the AEW. By now, some trust and familiarity has been established among the participants. Ask for any volunteer/s who would want their case to be studied in this module.
- Let them know that the case will be completely disguised so no one knows which business we are talking about, unless the volunteer doesn't care about confidentiality.
- Summarize and write about the case to be studied in about a page and distribute it to the students the evening before so they can read and analyze it before this module.

Activity 1

- Create four teams as “Entrepreneur”, “Customer”, “Employee” and “Supplier”.
- Ask each team to discuss among themselves (keeping in mind their assigned role) and make note of five reasons why businesses struggle to make a profit. Give them five minutes for this exercise.
- In the meantime, make two columns on the board for writing the reasons given by participants – do not give any heading to these columns yet.
- Go from team to team asking each person to give two top reasons and write them on the board. Please remind participants that they are not to repeat what is already written.

Probably by about three rounds most of the reasons will have been covered.

- *Move rapidly to ensure that the time taken for team work, subsequent listing & categorization does not exceed 15 minutes.*

The board may have some of the items listed below. You may add any items from below that you think is important if the participants have not come up with them.

Customer-unfriendly	Superior Technology Available with others
Unsatisfactory Quality	Government Policy change
Lack of courtesy or arrogant behavior by staff	Raw Material prices up
Frequent Stock out & Rush Jobs	Change in fashion and taste
Not meeting commitments	General Inflation
Uncontrolled growth	No demand for service or product
Not sufficient funding	
High Price	
Poor Location	
No fixed opening & closing time	
Employees & Suppliers not paid on time	
Inefficient operations	
No Unique Selling Proposition	
Mixing Personal & Business Funds	
Poor Domain Knowledge	
Too much sold on credit	
No – or poor – planning	
No proper management structure	
Lack of Succession Plan	
Poor resource management	

- Next, ask the class if they can come up with the broad categories under which the items from these two columns fall. Very shortly, they should come up with words that would mean “Internal” and “External” factors. Please put these as the headers for the two columns.

Conclusion

- ✓ Identifying the factors why businesses struggle is the flip side of identifying how to build successful businesses. We have covered those factors in detail in the different modules in the CMS program and the AEW.

Activity 2: Case of a Struggling Enterprise.

- Invite a team to volunteer to lead the discussion of the case. The team could select a key spokesperson who would briefly describe the current status of the business. Another member of the team could then enumerate the three or four most important issues that appear to be causing problems for the business. A third member could lead the discussion with the Facilitator's guidance to elicit suggestions from the participants. A fourth member could write them on the board in brief.

Optional Reading

- <http://www.businessknowhow.com/startup/business-failure.htm>
- <http://experts.allbusiness.com/the-top-10-reasons-why-small-businesses-fail/889/#.UYh9l0oUOxg>

6. Idea to Execution: Essential Steps

Any powerful idea is absolutely fascinating and absolutely useless until we choose to implement it.

-Richard Bach

Learning Objectives

- ✓ Understand the steps involved in moving from idea generation to its successful execution.

Session Plan

This session is applicable to CMS and all levels of AEW except AEW Level 1. Recommended time allocation is as follows:

Activity.....	10 minutes
Discussion.....	18 minutes
Conclusion	2 minutes

Materials Needed

- Whiteboard
- Marker
- Duster
- Notebooks with pen for participants



IMAGE COURTESY OF MASTER ISOLATED IMAGES / FREEDIGITALPHOTOS.NET

NOTE TO FACILITATORS

I CREATE BEGINS WITH I HOPE!

Our course content covers all the topics that are mentioned below. We do not hand over an agenda to the participants; however, the following approach has been found to be useful.

You can start the session with a humorous anecdote based on the current news, or show a funny cartoon that will evoke laughter and remove tension. You can even show some humorous pictures. Please no off-color jokes, or any joke that makes fun at the expense of a particular community, language, gender, or physically or mentally handicapped individuals.

Move on to introducing the I Create’s I HOPE *mantra*.

- Create five columns on the board/LCD projection.
- Ask: “What is the most important thing needed to start a business?”
- Start placing the answers in very short phrases under the five columns.

For example, if someone says, “you must know what your business is about”, put that under ‘I’. If someone says, “you need finances”, put it under ‘P’. If someone says, “market research”, put it under ‘H’, and so on. (The list may look something like Table 1 below)

Once you have got most of the important words from the class, show them the list as below and praise them for coming up with all the details.

Table 1

What Business to start	Market conditions	Price	Finance	Keeping customers satisfied
Where to start the business	Competitors	Cost	Planning	Quality production
	Raw material	Profit	Place	
	Machinery	Feasibility	People	
	Buying capacity			
	Man power			

Discussion

Now ask the participants what these five columns represent. Get them, through questioning and redirecting, to come up with one word that would describe the activities in each column – you are looking for five words. (For your benefit, these words are **Idea, Homework, Opportunity, Planning and Execution**). **Please do not write them on the chart yet**; do so only after the class have been able to come up with the words. Of course – chocolates for correct identification!

I HOPE

The following write up should help you enhance the importance of each step in **I HOPE**.

First Step: I (IDEA)

Various issues that need to be addressed here are:

- Individual qualities vis-à-vis “Entrepreneurial Qualities”
- Individual Skills, hobbies, assets or talent
- Identifying problems faced by people, companies, society etc.
- Idea generation to solve the problem using skills, talent, hobby etc.

Second Step: H (HOMEWORK)

Now that an idea has been generated, it should be subjected to critical evaluation through review of various facets of:

This step is essential to determine whether an opportunity exists to execute the idea and to make consistent and long term profits.

- Market Research
- Feasibility
- Availability of required raw material and/or skills
- Target customer
- Competitive situation
- Market saturation
- Location

- Down side risk
- Costing
- Pricing
- Finances needed

The I Create Business Plan template covers all the above.

All of these reviews, research, calculations and studies can be clubbed together as Homework. This step of Homework is essential to determine whether an **opportunity** exists to execute the idea and **to make consistent and long term profits**.

Third Step: O (OPPORTUNITY)

At the end of the Homework (second) step, one gets a fairly good idea as to whether opportunity exists for implementing the idea or the idea needs to be modified. At times, we may need to totally reject the idea and generate a new one (step one) and then go through the Homework step again (step two). Finally, when it is established that the idea (original or modified) has an opportunity (to make consistent profits), we are ready to move on to the next step.

Fourth Step: P (PLANNING)

Once it is established that an idea has a real opportunity for success which means a sustainable profitable operations, we then move on to preparing a road map to actualize that opportunity. The process for doing this is Planning and a document that results from this process is a Plan. Obviously the process is more important than the document, but the document helps in providing a common blueprint for all involved in achieving the goal. Some of the process elements are:

- Goal Setting (S.M.A.R.T. Goals)
- Marketing Strategy and Plan
- Sales and Production Plan (or Service offering plans for a service industry)
- Location
- Raw Material Sources (if applicable)
- Packaging (if applicable)

Planning is the process of preparing a road map to convert an idea into concrete results.

Keep your customer satisfied so that he/she keeps coming back and new ones keep coming as a result.

- Product or Service Positioning
- Target Customer / Market segmentation
- Customer Service
- Customer Relations Management
- Acquiring skilled manpower
- Training
- Equipment, Tools
- Space
- Systems
- Policies and Procedures
- Credit and payment policy
- Distribution Channel
- Advertising and promotion
- Expense Projections
- Costing
- Pricing
- Financial and other resources needed
- Advisors

Some of these would have been deliberated upon during Homework (step two). Nonetheless, they have to be addressed here with focus and clarity.

Once the plan is ready, share it with all those involved in its execution (next step).

Final Step: E (EXECUTION)

The real benefit of an idea (in this case, sustainable profit generation) is when it is executed with excellence. If not, it could become a loss making proposition. There are many actions that business owners and managers must take to ensure that the business runs profitably. One that sums it all is: Keep your customer satisfied so that he/she keeps coming back and new ones keep coming as a result.

Here are some action items to keep the customer satisfied:

- Get customer feedback and act on it
- Provide value for money to the customer
- Maintain quality
- Treat people (employees, suppliers and customers) well
- Communicate effectively
- Be aware of competition
- Be ethical and honest in your dealings
- Honor commitments
- Innovate
- Keep track of changing trends and tastes in the Market Place
- Advertising and Promotion
- Efficient Channels of distribution
- Be a good negotiator—Look for win-win situations so your customer wins and you win
- Network well

These five steps give us *the mantra* to move from **Idea to Execution: I HOPE.**

Conclusion

- ✓ Ideas don't make successes, implementation does. Successful men and women first determine if an idea is practical and feasible. If yes, they then plan every essential step to make it a success.
- ✓ Abraham Lincoln once said if he had three hours to chop a log of wood, he would spend two hours sharpening the saw.
- ✓ For planning the essential steps, it is important to know what the goal when implementing the idea is. In the case of business ideas, the desired result is sustainable profit.
- ✓ The above paragraphs cover the various steps needed to be undertaken for an effective execution of a business idea. Ultimately, excellence in execution is what yields the desired results.
- ✓ The I Hope *mantra* has another subtle meaning to it. As the phrase suggests, **we are hoping for the best.** This implies that there are inherent risks in any business idea and we hope that through careful

Homework and meticulous Planning we have taken care of most (if not all) of the risks! Hence, by saying “I Hope,” we imply that the chosen idea has a better chance of success.

Successful people do not do
different things; they do
things differently!

-Anonymous

7. Idea Generation – Newspaper Exercise

It is impossible to read a paper without being exposed to ideas. And ideas... more than money... are the real currency for success.

-Eli Broad

Learning Objectives

- ✓ Find business opportunities using a business newspaper.
- ✓ Gather information about new services and products.

Session Plan

This session is applicable only to AEW Level 3 & 4 and CMS. Recommended time allocation is as follows:

Activity..... 15minutes
Discussion..... 12 minutes
Conclusion.....: 3 minutes

Additional Material Needed

- Business Newspapers like Economic Times, Business Standard etc. (The paper does not have to be that day's. A paper that's a couple of days old or even earlier will do. Please provide one paper per participant.)



IMAGE COURTESY OF GRANT COCHRANE / FREEDIGITALPHOTOS.NET

Activity

Instructions to the Facilitator:

- Hand over a business newspaper to each participant.
- Give the participants about seven minutes and ask them to go through the paper and look for news, business articles, changes in government policy or regulation, advertisements etc. that give them an idea for starting a business. (Here you can tell the story of the woman entrepreneur in Jaipur who, as soon as she heard that government would require all scooter drivers to wear a helmet, started a helmet business. Again, she realized that women may not want to wear the boring gray colored ones; she started offering colorful helmets and thus began her business.)
- After five minutes, tell the class that only two minutes are left and remind them that they are looking for news, business articles, advertisements etc. that give them an idea for starting a business.
- While the group is reading, scan through one of the distributed newspapers.
- After the time is up, ask for anyone who has got an idea for a business. Applause for the first one who raises his/her hand. Tell the person that since not everyone would have read the same story, he/she should identify the item (by page and location), read the headline of the story, or briefly explain the advertisement and then explain what business idea came to his/her mind and why.
- **IMPORTANT NOTE:** Help clarify the idea and encourage the participants by being appreciative of them. At the same time, ask probing questions when necessary to clarify the response.
- While one participant is explaining the idea, other participants can also give their inputs as to what else can be added. You should help improve on the ideas given by the participants.
- **Give opportunities to people from different situations and call on people who have not participated earlier to view their thoughts.**

Discussion

Encourage the students to come up with other sources of market place knowledge, trends and future product or service needs.

Here are a few ideas to keep at the back of your mind to facilitate this discussion:

- The most powerful tool for a young entrepreneur today is knowledge about the marketplace, and even more important is up-to-date knowledge of the marketplace. The daily financial newspaper, business magazines and now internet and smart phones when accessible, are good tools for ideas and trends in the market. The data in most cases is well researched by qualified and knowledgeable people. Tell the participants, “A financial newspaper is like your market research team, but at a miniscule price to you! You have access to information because of the power of press.”
- A lot of market information is also available through Business & News channels. Radio, Television, and particularly the internet are good sources of information. Internet can offer instant and latest information of value to one that is looking for trends, news, figures and research for any product or service. It’s an amazing tool and cheap!
- Also, one should be alert regarding change in Govt. regulations & policies. These could open up avenues for new products & services. (Remind the participants of the story of the helmet business.)
- Businesses with a focus on social entrepreneurship are flourishing in India. More entrepreneurs can look at this emerging Industry as it productively engages & benefits large groups in communities, and therefore, has the power to transform people’s lives for the better.

Conclusion

Again, ask the students their conclusions and lessons learned based on the exercise and the discussion. It would be ideal if they cover the conclusions as below. If not, you can help them arrive at these conclusions.

The most powerful tool for a young entrepreneur today is knowledge about the marketplace.

powerful.

✓ Newspapers & other media including the internet are the easiest and economical ways to trigger new business ideas.

✓ It’s not only the articles, but also the advertisements published in the newspaper, which may give rise to a new idea to start a business.

✓ The idea can be small, but its impact can be

For Optional Reading

Business News Websites

- www.entrepreneur.com – Covers international articles on Startups, technology, markets, franchisee opportunities etc.
- <http://www.indiainbusiness.nic.in/> – Has information on the Indian economy, emerging sectors, annual reports, surveys etc. Also relevant information on Service, Infrastructure & Industrial Sectors.
- <http://business.gov.in/> – Business opportunities & incentives, Union budget, Economic survey, Govt. Policies etc.
- www.business-standard.com
- www.financialexpress.com/
- www.businessnewspapers.net
- in.reuters.com

Newspapers & Magazines

- Economic Times
- Business Today
- Forbes India
- Outlook India

8. Idea Generation: Hobbies, Skills, Opportunities, Problems and Solutions

Money never starts an idea. It is always the idea that starts the money.

-Owen Laughlin

Learning Objectives

- ✓ Learn how to appreciate one's special skills / hobbies & turn them into a profitable business.
- ✓ Identify potential opportunities, problems & use them to generate business ideas.
- ✓ Use best practices of Idea generation.
- ✓ Think creatively.

Session Plan

This session is applicable to all four levels of AEW and CMS. Recommended time allocation is as follows (30 minutes for AEW and 40 minutes for CMS):

Activity..... 13 minutes
Discussion..... 15 minutes
Conclusion..... 2 minutes

For CMS, the activity section may be expanded by 10 more minutes.

Materials Needed

- Exercise sheet
- Whiteboard
- Marker, and
- Duster



Activity

- Hand out the exercise sheet to the trainees

Hobbies and Skills exercise:

- Ask the trainees to list their skills and hobbies and possible businesses that can be started using the same – under the two columns **“Hobbies & Skills”** and **“Businesses Ideas”**.
- Similarly, ask them to identify **problems in their community and possible solutions** as indicated in exercise sheet.
- Finally, ask them to think of new opportunities and ideas that could lead to new business. After the iPhone (smart phone or internet) revolution, a leading thinker quipped. “We always thought necessity is the mother of invention. I am beginning to realize that invention is becoming the mother of necessity.”
- Often people convert the hobbies they like and are good at into businesses. Others can acquire new hobbies and skills they like through formal classes before starting their own small businesses. For example, if you have a hobby of painting or music, you can start a business around teaching these arts. Similarly, skills like teaching children in Kindergarten, use of software’s like MS Office, CAD, counseling, interior design, making homemade foods can be learnt.

Blank exercise sheet:

S. No.	A) Hobbies & Skills	Business Ideas
1		
2		
3		
	B) Problems	Business Ideas
1		
2		
3		
	C) Opportunities	Business Ideas
1		
2		
3		

The filled exercise sheet may look as follows:

S. No.	A) Hobbies & Skills	Business Ideas
1	Stitching & embroidery	Boutique store, tailoring services, garment sales or exports, hobby classes
2	Carpentry	Interior design solutions, furniture manufacturing
3	Cooking good food / specialty dishes	Catering service, café, canteen service
4	Writing skills	Documentation services, creative writing services
5	Good knowledge of English / other languages	Language training centers
6	Gardening	Agriculture, landscaping
7	Skill of making high quality chocolates	Gourmet Chocolates for gifting
8	Knowledge of Yoga & Meditation	Yoga classes, Gymnasium

	B) Problems	Business Ideas
1	Care for children of working mothers	Day care center
2	Muscular stress/ body aches & pains	Ayurvedic body massage service, Yoga training
3	Poor quality teaching at schools/ colleges	E-learning services on the internet, tuitions, creative teaching service
4	Need for Laundry service	Laundry service with door to door pickup and delivery

- A common list of three columns – Skills/Hobbies, Problems and Possible Business Ideas can be generated by getting the input from the participants.
- For this, ask any participant to share a problem. Then ask another participant to identify a skill that can be used to solve that problem and then conclude with the Business Idea.
- Do this for about half a dozen problems getting all the participants to take part in the exercise.

Discussion

- Ask them “Do you know of anyone who has started a business based on a unique idea / skill? Please share it with us in brief.”
- Ask them “Do you know of anyone who has started a business based on his/her hobby?”
(During this discussion, do emphasize that while thinking of business ideas creatively is important, for an idea to succeed it must be market researched and customer driven. That is covered in other modules.)
- Ask the participants “How important is “**PASSION**” in any venture?” Inform the participants that, unless the entrepreneurs are “**Passionate**” about the venture, they may not be able to grow the business. “**PASSION**” in many areas of the enterprise is important to long term growth.

PASSION in many areas of the enterprise is important to long term growth.

- Examples:
 - Passion in leading people & helping them excel.
 - Being passionate about the area of business Ex: Renewable energy.
 - Helping people run micro & small businesses in rural areas.
 - Being passionate about developing business associates & contributing to economic growth.
 - Passion in developing leadership skills in people at all levels etc.

Conclusion

- ✓ Summarize the key points.
- ✓ Emphasize the importance of observing things around them & how people are converting ideas based on various day to day problems into profitable businesses. Also, how they are capitalizing on their own / others hobbies & skills.
- ✓ Encourage the participants to be part of good entrepreneur's networks / forums, where they can meet successful business people, mentors, facilitators & investors. This will help motivate them & get required help.

For Optional Reading

- **Links:** Generating new ideas - http://www.mindtools.com/pages/article/newCT_88.htm

9. Moving Up the Value Chain

The whole is more than the sum of its parts.

–Aristotle

Learning Objective

- ✓ To understand the Value Chain concept.
- ✓ Identifying ways to move up the Value Chain in your business.

Session Plan

This session is applicable only to AEW Levels 3 & 4.

Instructions to the Facilitator

Start by asking the participants, “What do you understand by Value Chain?” You might have to prod them for answers and the type of answers you might get would be – “Satisfying Customer Needs”, “Receiving higher price”, “Forward integration, etc.” These are all partially true. List them down.

Next, ask the question, “What do you understand by Supply Chain?” Answers you get may be similar to “Making the product available”, “Logistics”, “Procurement of raw material, etc.”, “Inventory control” and the like.

Supply Chain is the movement of materials as they flow from their source to the end customer.

There is very often confusion in some people’s minds about Supply Chain and Value Chain. It is important to provide a clarification as follows:

Supply Chain is the movement of materials as they flow from their source to the end customer. Supply Chain includes purchasing, manufacturing, warehousing, transportation, customer service, demand planning, supply planning and management of all these links in the chain. It is made up of the

people, activities, information and resources involved in moving a product from its supplier to the customer.

Value, on the other hand, is what the customer receives when she buys the product or the service. At a very basic level, what the customer is willing to pay depends on the extent to which a product is perceived to meet her needs or wants. Thus the value often depends primarily on the customer's understanding of the value of the product. Value chain is thus the process the product or service goes through that adds to its value to the customer—real or perceived.

Facilitator Question: Ask the class if they can give examples of when the value is really changed or is perceived to be changed. (Don't spend too much time on this and avoid it becoming a theoretical exercise.)

Tip: A simple example of change in value at perception level without any change in intrinsic value could be the use of packaging—whether packaging of sweets or the kind of fancy bottles used for packaging perfume etc.

The customer **receives the** goods or service through the **supply chain**. He/she **receives value** through **value chain management**. So while, supply chain generally connotes the movement of goods or services with or without change in its value, value chain is where the product goes through a process that increases its value.

Activity

- Form new teams or use the teams that were formed for the earlier classes. (If the same teams have done many group exercises together earlier, change the composition to give a bit of variety to the participants.) Ask each team to pick a product or service from the list below. Also, let them know that they are free to pick an item from outside this list too.
- Ask them to do the following two part exercise.
 1. Ask them to identify the various ways in which value can be added to the chosen product/service.
 2. Having identified the ways in which they add value, ask them if they were the business owners with this product line, what would be the reasons they

Value is what a customer receives when he or she buys a product or service.

would want to add value to the product and if there are any risks in doing so.

List of Illustrative products/services:

- Milk
- Coffee Beans (Green Beans)
- Textile (Fabric for Clothes)
- Beauty Parlor
- Electrical Repair Service
- Vegetables
- Fruits
- Fish
- Grains

Give the teams about 5 to 6 minutes. Plot the first part of the exercise. It may look as follows for a limited set of illustrative items.

Results of Value Chain Analysis

	Original Prod/Service	What Customer Does With It	Possible Value Addition
1	Milk	Drinks or uses in coffee/tea	None
		Drinks with additives – almond etc.	Milk based beverages – ready to consume
		Makes yogurt	Produce packaged yogurt
		Makes sweets	Various milk based sweets & desserts
		Makes <i>paneer</i>	Produce packaged Cottage Cheese
		Makes ice cream	Ice Creams of various flavors
2	Green Coffee Beans	Roasts, grinds, makes coffee	Supply Roasted Beans Supply Ground Powder

	Original Prod/Service	What Customer Does With It	Possible Value Addition
			Set up Coffee Parlor
3	Textile (Fabric)	Gets clothes stitched from a tailor	Manufacture of garments
4	Beauty Parlor	Goes to the Parlor for getting service	Service provided at the home of the customer
5	Electrical Repair Service	Calls for electrical repair service	One stop shop for various maintenance services—plumbing, electrical etc.
			Regular house maintenance
			Service for paying utility bills
6	Vegetables	Cleans the vegetables	Supply cleaned & packed vegetables
		Cuts the vegetables	Supply cut vegetables in packets
		Cook the Vegetables	Ready-to-eat vegetable dishes
			Supply cut vegetables & appropriate spices and recipes.

Given limited time, ask two volunteer teams only—preferably, one in product category and another in service category—the reasons why they would want to add value to their line and the risks, if any, in doing so.

Facilitator Tip: These two presentations should bring out important issues for adding value and the risks associated in doing so. These could include the following illustrative positive reasons:

1. Improving the marketability of the product (Being able to address target customer needs).
2. Increase the customer base.
3. Increase in sales and profit level for the business.
4. Increase in shelf life of the product, thus avoiding wastage or spoilage (e.g. raw food items).
5. Reducing vulnerability to changes in the cost of the raw or basic material.

There are risks involved:

1. Need for higher capital both of process cost in adding value and costs for equipment for storage (e.g. freezer for packaged frozen food items).
2. Need for a larger inventory of products.
3. Complexities in ensuring quality and distribution of the end product.

And finally, ask the class, if there are risks involved, how can they mitigate them?

Facilitator Tip: The answers to this final question should lead to the importance of paying attention to some basic concepts for the success of any business, such as the importance of proper market research, identification of customer needs, what price she is willing to pay, what the competition is, what location to choose, etc. All these are issues they learn in the Seven Ps of Marketing.

Let this be a short discussion since the focus of this module is on value addition for business growth.

Optional Reading

- http://articles.economictimes.indiatimes.com/2012-02-04/news/31024887_1_value-chain-coffee-bean-indian-coffee
- http://arrow.dit.ie/cgi/viewcontent.cgi?article=1075&context=nitlot_h
- http://www.pir.sa.gov.au/valuechains/value_chain_toolkit
- http://www.unido.org/fileadmin/user_media/Services/Agro-Industries/Pro-poor_value_chain_development_2011.pdf

10. Franchising

Look after the customer and the business will take care of itself.

–Ray Kroc, McDonald's Founder

Learning Objectives

- ✓ Understand the concept of Franchising.
- ✓ Learn about the Roles of the Franchisor and Franchisee.
- ✓ Analyze the Pros and Cons of becoming a Franchisor and a Franchisee.

Session Plan

- This session is applicable only to AEW Levels 3 & 4.

Instructions to the Facilitator

This session has discussion and activity components.

- Ask the participants to give the names of some franchise operations they are aware of. You might get answers like – McDonalds, Pizza Hut, Café Coffee Day, Pepsi Cola, IPL, Various Automobiles, Chai Point etc.
- Next question is, “What do you understand by the term ‘Franchise Operation?’” The answers you get may vary from “Standard Specification and Quality” to “Brand” to “Common Marketing”, etc. List all the words and phrases given by the participants.

Now you can explain the different types of Franchise Operations and their characteristics. (See ‘Types of Franchises and their Characteristics’ on the following page.)

Now ask the participants (assuming that they are seated in teams; if not, please make teams of four or five) to discuss – (i) When is it appropriate to be a Franchisor? (ii) When is it right to be a Franchisee? Give them 5 minutes for this and ask them to come up with at least 3 points. While responding, let each team give one point for each question. Most of the answers should lead to the following conclusion:

When is it appropriate to be a Franchisor?

- Your business is running well in your area.
- Based on customer feedback you feel that scope exists to open outlets or stores in other parts of the city, state, country or even internationally.
- You do not have the necessary financial or human resources for such expansion of the business as your own wholly or partially owned branches.
- You can identify the procedures for operations including sales and marketing that have worked well for you which can be standardized and put in practice elsewhere without your personal presence. (Of course, you would train the franchisee in the procedures and provide a manual.)

When is it right to be a Franchisee?

- You have the desire to be an entrepreneur and have analyzed the risks and benefits of the franchise and like the product or service. It is important that you like the product or service since it will be with you for the rest of your life or at least for a long time.
- You do not have an idea of your own as to which business to start.
- Buying an existing business doesn't sound right for you but starting from scratch sounds a bit intimidating.
- You have the finance necessary to be a Franchisee.

Types of Franchises and their Characteristics

Franchising is a business model in which many different owners share a single brand name. A parent company (known as Franchisor) allows other entrepreneurs (known as Franchisees) to use the company's strategies and trademarks; in exchange, the franchisee pays an initial fee and royalties based on revenues. The franchisor also provides the franchisee with support, including advertising and training, as part of the franchising agreement.

There are three basic types of franchise models; **Trade Name Franchise**, **Product Distribution Franchise** and **Pure (or Business Format) Franchise**.

Trade name franchise involves allowing someone to use your brand name – such as True Value Hardware or Western Auto. (If you know of any Indian Brands – you can use the same)

Here, the franchisee purchases the right to become identified with the franchiser's trade name without distributing particular products exclusively under the manufacturer's name.

A *Product distribution franchise* licenses the franchisee to sell specific products under the manufacturer's brand name and trademark through a selective, limited distribution network. This system is commonly used to market automobiles (Mahindra, Tata, and Honda), gasoline products (HP, BP, and Castrol), soft drinks (Pepsi Cola, Coca-Cola), two wheelers (Hero, Bajaj), appliances, cosmetics, and other products. These two distribution systems allow franchisees to acquire some of the parent company's identity. Franchisees concentrate on the franchiser's product line, although not necessarily exclusively.

A *Pure (or comprehensive or business format) franchise* provides the franchisee with a complete business format, including a license for a trade name, the products or services to be sold, the physical plant, the methods of operation, a marketing strategy plan, a quality control process, a two-way communications system, and the necessary business services. That is, the franchisee purchases the right to use all the elements of a fully integrated business operation. A Pure franchise is the most rapidly growing of all types of franchise and is common among fast-food restaurants, lodging establishments, business service firms, car rental agencies, educational institutions, beauty aid retailers, and other promising growth industries. The best examples of Pure Franchise are McDonald, Pizza Hut etc.

Activity

Franchising is a business model in which many different owners share a single brand name.

- After discussing these points, divide the class into four groups – two of them **Potential Franchisors** and the other two **Potential Franchisees**.
- Allocate the following four topics – one to each team – and give them seven minutes to come up with their points.
 1. Advantages or Pros of becoming a Franchisor;
 2. Disadvantages or Cons of becoming a Franchisor;
 3. Advantages or Pros of becoming a Franchisee; and
 4. Disadvantages or Cons of becoming a Franchisee
- At the end of seven minutes, give each team 2 minutes to articulate their points and jot down the points in the following table format. Once all the teams have spoken, open the floor for others to give additional points, if time permits.

The table on the board or laptop will look like the following table. You can discuss the points with the aid of the write up provided below about Pros and

Cons. You can also undertake optional reading (given at the end of this module) to enhance your domain knowledge.

Some of the Pros & Cons of Franchising

Franchisor	
Pros	Cons
Need not have large capital for expansion	Need to document every detail
Cash inflow without too much effort	Extra effort needed for Quality Control
Limited day-to-day operational hassles	Possibility of brand dilution
Operation can be low cost	Extensive legal paperwork
Better survival possibility in recession	
Franchise	
Pros	Cons
Well tested operational model	No room for creativity
Easy to start – with Manual provided	Very strict regimentation and control
Brand already established	No scope for cost reduction in sourcing
Training Provided	Higher variable costs (Royalty)
Quick start	Profit sharing
Lower risk	Limited product range
Advertising support	Support may not match the promise
Territorial protection	Restrictive covenants
Instant recognition	Potentially large initial capital investment

Facilitator Reading Requirement ahead of the Class (and for use in the class to add to thoughts not already covered by the above group exercise)

Pros and Cons of Franchisor and Franchisee

Franchisor:

Advantages

- Franchising offers the opportunity to make your business grow faster than would be the case if you had to train up your own employees and develop your own internal marketing, sales and distribution organization.
- The use of your franchisee’s capital will make your

Studies have shown that you may be more likely to thrive in a recession than in a non-franchised business.

network grow more quickly than would be the case if you had to find the capital yourself.

- Franchising motivates the franchisee far beyond any typical employee incentive scheme, with the franchisee's financial success being dependent on the success of your business.
- With your increased purchasing power and possibly reduced overheads resulting from a franchise network, you may be able to increase the profitability of small units.
- Studies have shown that you may be more likely to thrive in a recession than in non-franchised businesses.

Disadvantages

- The major disadvantage is **loss of control**. Although the franchise agreement will impose substantial restrictions on franchisees, franchisees remain independent third parties who will be seeking to maximize their profits, sometimes at your expense.
- Part of your profit element is used in **supporting** the franchisee.
- You will have to **share substantial know-how** and information concerning your business with the franchisee. Although the franchise agreement will contain confidentiality restrictions, such provisions are often difficult to monitor and enforce.
- The **skills** required to control franchisees and provide the back up support are different from those involved in operating a business through employees.
- The standardized approach required in franchising is **not to every consumer's taste!**
- **Extensive paperwork** and legal documentation.

Franchisee:

Advantages

- **Corporate image** – The corporate image and brand awareness of the company is already established. Consumers are always more comfortable purchasing items from a familiar name or company they trust.

Franchisees stand a much better chance of success than people who start independent businesses.

- **Training** – The franchisor usually provides extensive training and support to the franchisee.
- **Savings in time** – Since the franchise company already has the business model in place you can focus on running a successful business.
- **Lower Failure Rate** – When you buy a franchise, you are buying an established concept that has been successful. Statistics show that franchisees stand a much better chance of success than people who start independent businesses; independent businesses stand a 70 to 80 percent chance of NOT surviving the first few critical years, while franchisees have an 80 percent chance of surviving
- **Help with Start Up and Beyond** – You get a lot of help starting your business and running it afterwards. Many franchises are, in fact, turnkey operations. When you buy a franchise, you get all the equipment, supplies and instruction or training needed to start the business. In many cases, you also get ongoing training, and help with management and marketing. Your franchise will reap the benefit of the parent company's national marketing campaigns, for instance.
- **Buying Power** – Your franchise will benefit from the collective buying power of the parent company as the franchisor can afford to buy in bulk and pass the savings along to franchisees. Inventory and supplies will cost less than if you were running an independent company.
- **Star Power** – Many well-known franchises have national brand-name recognition. Buying a franchise can be like buying a business with built-in customers.
- **Profits** – A franchise business can be immensely profitable.

Disadvantages

- **No room for your creativity and individuality** – The main disadvantage of buying a franchise is that you have to do it their way – sometimes right down to the way the napkin holders are filled. As a franchisee, you are not the one actually running the show, and some franchisors exert a degree of control that you may find excruciating.
- **Ongoing Costs** – Besides the original franchise fee and royalties, a percentage of your franchise's business revenue will need to be paid to the franchisor each month. The franchisor may also charge additional fees

The main disadvantage of buying a franchise is that you have to do it their way.

for services provided, such as the cost of advertising. (While these costs provide value and are legitimate, the franchisee must evaluate if they are excessive and if they can be negotiated down.)

- **Ongoing Support?** – Not all franchisors offer the same degree of assistance in starting a business and operating it successfully. Some are just start-up operations – and everything after startup is up to you. Others make promises of ongoing training and support that they don't follow up on.
- **Cost** – Buying into well-known franchises is very expensive. If this is your choice, you will need to plan your cash requirement well as also examine the cost/benefit of an expensive franchise carefully since you would be making a substantial investment. Shark-Infested Waters—buying a little-known, perhaps inexpensive franchise can be a real gamble. Just because a business is offering franchises is no guarantee that the franchise you buy will be successful. In some cases, franchising is the business; all the franchisors are interested in is selling more franchises; whether or not the individual franchises are successful is irrelevant to them. This is not to say that no little known, inexpensive franchises are worthwhile, but just a reminder that any franchise you're thinking of buying needs to be investigated carefully.

Optional Reading

- http://www.youtube.com/watch?v=Kzmq_S1aUOE&feature=player_detailpage
- <http://www.youtube.com/watch?v=aSBhmZ8doRk>
- <http://www.entrepreneur.com/encyclopedia/franchising>
- <http://www.entrepreneur.com/article/71886>
- <http://www.franchiseconsulting.net.au/Franchise-articles/Franchise-articles/3-Basic-types-of-a-Franchise.asp>

11. Types of Businesses & Their Characteristics

A business absolutely devoted to service will have only one worry about profits. They will be embarrassingly large.

-Henry Ford

Learning Objective

- ✓ Learn about different types of businesses based on what they do (not organization structure or business ideas).
- ✓ Understand the characteristics of these – in terms of resources needed.
- ✓ Identify the type of business you want to start with, based on your individual situation.

Session Plan

This session is applicable to all four levels of AEW and CMS, Level 1.

Recommended time allocation is as under:

Activity..... 15 minutes
Question & Answer: 5 minutes
Discussion and Conclusion 10 minutes

Activity

- Ask the participants to individually list different businesses they have come across or observed around them. Give three minutes for this.
- Meanwhile, draw three columns on the board. Do not write any headings; however, you must know that these are for “Manufacturing”, “Trading” and “Service”, respectively.
- At the end of three minutes, ask each participant by turn to give an item from his/her list.

- Tell the participants that items should not be repeated.
- Write the item in the appropriate column on the board.
- You may need to do two to three rounds to get an adequate number of items in each column.

Finally, your board may resemble the following:

Column1	Column 2	Column 3
Chocolate Making	Mango Export	Driving School
Pickle Making	Clothes Store	Two-Wheeler Repair
Catering	Tire Sale	Real Estate Agency
Farm Seed Production	Agricultural Products Sale Store Sale	Home Delivery Service
Costume Jewelry Making	Book Shop	Event Management
Making Dairy Products	Cosmetic Sale	Beauty Parlor
Plastic Buckets Manufacturing	Two Wheelers Distributorship	Tutorial Institute
Restaurant	Online Video Store	Placement Agency
Handicraft Production	Pre-Owned Vehicles	Travel Agency
Bakery	Bakery	Senior Citizen Center

Q&A

Q1: Why have these businesses been put into three columns?

A: You may get different answers – ranging from size of the business to complexity, etc. You have to lead the participants, through probing and counter questioning, towards an answer that includes “each column has certain unique things about them”

So then, let us find out what is unique about each one of the columns.

Q2: What is common among the businesses listed in the first column?

A: After questioning and counter questioning, lead the participants to the point that all the businesses listed in column 1 are producing something. They start with some material and through use of machines or labor or certain processes convert it into a different material. Thus raw material becomes a finished product. For example, wax becomes a candle, raw mango becomes pickle, a piece of wood becomes a work of art, etc. So businesses in column 1 are “**Manufacturing**”. (You can now write the heading “Manufacturing”). The common characteristic here is material changing shape or form through a process. (If the question comes up, you can explain that “Agriculture” and “Mining” can be clubbed in this category – seeds become plants and yield produce, or underground minerals are extracted by using equipment).

Q3: What common thing do you observe in the second column?

A: Through questioning and prodding, lead the participants to the point that, all the businesses listed here are involved in trading. The business owner buys in bulk from the producer and then sells in smaller quantities to customers. Through discussions, lead to the conclusion that the product (e.g., mango or two-wheeler) does not change shape or size. In other words the business owner does not alter the material. (You may explain, however, that if the person bought mangoes and sold mango juice, then it would be classified as Manufacturing). This column can be categorized as “**Trading**”. At this point you can explain the two types of trading – “Wholesale” and “Retail”. You can also bring in the concept of “Distributor” and “Agent” and explain their role in the supply chain. (Refer to the links at the end of this module for more details on these topics).

Q4: What similarity do you observe in the businesses listed in the third column?

A: Lead them to the point that, in column 3, the businesses do not provide any tangible product but satisfy customer needs through providing a service. Therefore these can be categorized into “**Services**”. Let’s take the example of a placement agency. The agency helps you by matching your profile to the job requirement and arranging interviews. Let’s take an example of a driving school. They train you with the driving skills so that you would be eligible for a driver’s license.

Important note:

It is possible that some businesses can be in more than one category e.g. Bakery or Beauty Parlor. Why is it so? Lead the class in discussing this. (Bakery – apart from selling cakes or biscuits it has baked i.e. manufactured, may sell cold drink bottles i.e. trading. Similarly, in a Beauty Parlor, apart from getting your nails done or facial done (both services), you may buy a bottle of shampoo or conditioner not produced by the Parlor.

Discussion and Conclusion

The following exercise is to help an aspiring entrepreneur decide what type of business—manufacturing, trading or service—he or she wants to start.

Write the matrix below on a flip chart before the class begins. Uncover it in this section. Ask each of the students to write down the following three businesses on a piece of paper and then write next to each the intensity level number (1, 2 or 3) the business would require of each of the characteristics in their judgment.

1. Plastic Buckets Manufacture
2. Clothes Store
3. Event Management Service

Now seek three volunteers to state their intensity levels for business A, B and C respectively. After each volunteer has spoken, allow others to volunteer if they disagree and if so, ask them what their ranking is and why. Assist them with this, if necessary. Remember there could be more than one correct answer in many cases as long as the participants can explain the rationale behind their choice.

Characteristics	Intensity		
	A	B	C
Start-up Capital Requirement	High (1)	Medium (2)	Low (3)
Size of Operations Area	Large	Medium	Small
Business Location Requirement	Industrial Park	Local Bazaar	Home
Start-up Labor Requirement	Large	Medium	Low
Level of complexity in starting the business	High	Medium	Low
Distribution	Wholesaler/Retailer	Agent	Direct
Financial Management	Complex	Moderate	Simple

Optional Reading

To learn more about distributors, wholesalers and retailers, visit these links:

- <http://smallbusiness.chron.com/differences-between-wholesalers-distributors-retailers-30836.html>
- <http://www.marketingteacher.com/lesson-store/lesson-place.html>

12. Homework for Business

The most valuable thing to spend time on before starting the business is the market, not the idea. Do as much homework as possible.

-David Tisch

Important Note: We have used the term “homework” in a metaphoric sense covering all the advance work that needs to be done in planning and preparing before the start of a business including market research (covering the product/service planned, the customer and the competition), as well as planning for business essentials including men and women (employees), machinery (equipment), material (raw and finished) needed, and review of environmental impact, if applicable.

Market Research

Learning Objective

- ✓ Identify the various facets of the business in which “homework” (as defined above) needs to be done.
- ✓ Determine the type of information that needs to be collected for each.
- ✓ Discuss the method of collecting the required information.

Session Plan

- This session is applicable to all four levels of AEW and CMS.

Instructions to the Facilitator

- This session should be conducted after the following modules have been done:
 - “Idea to Execution – I HOPE”
 - “Idea Generation” – both “Newspaper Exercise” and “Problems & Solutions”.
- Also, the participants would already have been put in different teams and each team would have preferably identified a business idea for the Business Plan preparation.
- Ask “What follows the “Idea” – as per I HOPE mantra?” Response would be “Homework”.
- Ask the participants what they understand by “homework” in the context of business and you would get varied answers that could include terms like – market research, market survey, competition, feasibility study, planning for raw material, machinery and staffing etc. Prod the participants to come up with these terms as much as possible; it does not matter if there is duplication – encourage each one to speak out.
- You can now quickly sum up this part of the discussion, and prepare for the next activity as follows:
 - “In order to make sure that the business starts on a sound footing, critical information on different facets of the business is needed. Collection and analysis as well as interpretation of such information are what we have called homework.”

The homework covers the following broad facets of the business:

- **Market Research** (Covering the Product/Service you are offering)
- **Market Research** (Covering the Customer & Competition)
- **Machinery and Equipment**
- **Material** (Finished, Semi-finished and Raw)
- **Men and women** (Employees including the entrepreneur himself or herself)
- **Environmental Impact**

Activity 1

- Make sure all participants are seated in their teams.
- If there are six teams, allocate one facet of the business to each team. If there are fewer than six teams or more than six teams, reorganize the group to form six teams so each team can have one facet of the business. (“Sometimes, it might be fun to work with persons other than those from your own Biz Plan team.”)
- Ask each team to list five relevant questions to probe the facet covered. You may illustrate with a few examples such as:
 - In the area where I want to start my business, how many households are there where both parents go to work?
 - In the area where I want to start my shop (within a 2 km radius), how many similar shops are operational?
 - I need addresses of people who supply the machinery needed for my business.
- Give the team seven minutes to list their questions and appoint a spokesperson who will read out the questions identified by the team. One minute per team for this.

(While the questions/items are being read out, they can be captured on the board or laptop with the appropriate six columns for record).

- Add any obviously missing key questions—please refer to the potential questions/items at the end of the session plan—and then move on to the next activity.

Activity 2

- Make sure all participants are seated in their respective teams.
- Ask each team to identify the source or method by which they will obtain the answers to the questions they had listed. Give them five minutes.
- After five minutes, let each team share the methods so identified. (While this is being done, write these on the board or laptop under two broad columns without writing the headings “**Primary**” and “**Secondary**”).
- Once all have spoken, if you find that some of the methods of research have been missed out, you can explain and add them. You

Market research can help you make better decisions and improve your chances of success.

can now write the headings “**Primary**” and “**Secondary**” at the top of the columns and briefly explain the pros and cons of each. (Please refer to the write-up at the end of the session plan).

Discussion

Are you starting a new business, expanding an existing business, introducing a new product line, or entering a new geographic market? In all of these situations, market research can help you make better decisions and improve your chances of success.

There are two types of research: **secondary** research and **primary** research. Here's a closer look at the difference between the two.

Secondary Research

Also called **desk research**, it involves collecting data which already exists. This includes using information from reports of Government Agencies, publications of Chambers of Commerce, Trade Associations, and Internet research and company files.

Secondary research is easy to find, and much of it is free or low-cost. For instance, you can find secondary research online at government or industry websites, at your local library, on business websites, and in magazines and newspapers.

The downside of secondary research is that it is not customized to your needs, so it may not be as useful as primary market research.

Pros of Secondary Research- often obtained without cost, good overview of a market, usually based on actual sale figures, or research on large samples

Cons of Secondary Research- data may not be updated regularly, not tailored to your specific needs, expensive to buy reports on many different marketplaces.

The downside of secondary research is that it is not customized to your needs, so it may not be as useful as primary market research.

Primary Research

Primary research is tailored to a business's specific needs and is conducted either by you or by a company that you pay to conduct the research for you. Also called field research, it involves collecting data first hand. This can take many forms, the main ones being interviews, questionnaires, panels, focus groups, surveys, field tests, and observation.

Primary research lets you investigate an issue of specific interest to your business, get feedback about your website, assess demand for a proposed service, gauge response to various packaging options,

Primary research is tailored to a business's specific needs.

find out how much consumers will pay for a new product, and more.

Primary research delivers more specific results than secondary research, which is an especially important consideration when you're launching a new product or service. In addition, primary research is usually based on statistical methodologies that involve sampling as little as 1% of a target market. This tiny sample can give an accurate representation of a particular market.

The downside of professionally conducted primary market research is that it can be expensive. Fortunately, a growing number of online tools allow you to conduct primary research, such as surveys that you can conduct yourself at very little cost.

Pros of Primary Research- can aim questions directly at your research objective, get latest information from the marketplace, can assess the psychology of the customer.

Cons of Primary Research- expensive, risk of questionnaire and interviewer bias, research findings may only be usable if comparable **back data** exists.

Many new business owners short on time and money can try to take advantage of the following. However, be careful and double check your data, and be careful of the potential pitfalls listed below:

Using only secondary research. Relying on the published work of others doesn't always give you the full picture. It can be a good place to start; however, make sure the information you get from secondary research is not outdated.

The downside of professionally conducted primary market research is that it can be expensive.

Using only web resources. While these are good sources generally, sometimes these are data pushed by interested parties and based on research funded by a trade or industry group or special interest groups and may have their biases. So double check the data with more than one secondary source.

Surveying only the people you know. Small-business owners sometimes interview only family members, friends and neighbors. This is a good start, but be careful since the data sample may have a limited base.

Use Both Kinds of Research for Your Business

Savvy entrepreneurs do secondary research first and then conduct primary research. For example, the owner of a bakery shop would want to know all about a neighborhood before opening a new store there. Using information gleaned from secondary sources, the owner can uncover all kinds of demographic information, including detailed income data and spending

patterns. The owner can then send out a questionnaire to a sampling of households to find out, say, how often they're likely to buy cupcakes and how much they're willing to spend.

Secondary research lays the groundwork, while primary research fills in the gaps. By using both types of market research, small business owners get a well-rounded view of their markets.

Optional Reading

- http://www.diversestrategies.com/Small_business_homework.htm
- <http://www.entrepreneur.com/article/218130>
- <https://bizhub.anz.co.nz/resources/the-importance-of-market-research.aspx>

Sample of questions & information and how to obtain it.
Illustrative but not exhaustive.

Sr.No.	Facet	WHAT? (Question/Item)	HOW (Method)	
			Primary	Secondary
1	Customer			
	a	How many people have a monthly income more than Rs.5,000?	Survey; Questionnaire	Through Census Data
	b	How many women of age 20 to 40 are in my neighborhood?	Survey; Questionnaire	Through Census Data
	c	Average amount spent in a beauty parlor	Survey; Questionnaire	
	d	Types of services made use in the parlor	Survey; Questionnaire	
2	Competition			
	a	Number of Beauty Parlors in a 2 km. radius of my proposed location.	Observation or walking around	From the Municipal office
	b	Rates charged by different parlors	Published Rate Card	
	c	Average number of customers per parlor	Observation	
	d	Seasonality pattern of demand – days of week or month.	Observation,	
3	Machinery			
	a	Types of appliances needed and their cost as well as capacity, life etc.	Appliance Supplier	Yellow Pages
	b	Names of Machinery Supplier		Web site, Yellow Pages
	c	Maintenance Costs	Appliance Supplier	
	d	Power Requirement	Specification	
4	Material			
	a	Sources of Raw Materials and Consumables	Industry Contacts	Industry Publications
	b	Alternate sources and/or alternate material	Industry Contacts	Industry Publications
	c	Seasonality of supply	Potential Suppliers	
	d	Economic Order Quantity & Transport Cost	Potential Suppliers	
5	Men			
	a	Availability of Trained People	Industry Contact	Training Institute
	b	Number of people needed	Industry Contact	
	c	Prevailing Wage Structure	Industry Contact	Labor Department
	d	Training Requirement	Machinery Supplier	

Sr.No.	Facet	WHAT? (Question/Item)	HOW (Method)	
			Primary	Secondary
6	Environmental Impact			
	a	Need for any special permission		From the Municipal office
	b	How to handle waste	Industry Experts	
	c	How to monitor Pollution	Industry Experts	
	d	Environment Friendly Packaging	Packing Experts	

13. The Marketing Mix: 7 P's of Marketing

The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself.

–Peter F. Drucker

Learning Objective

- ✓ To understand the difference between Selling and Marketing.
- ✓ To know what makes the marketing mix and how to create the mix that suits your business the best.
- ✓ To have a marketing plan for your business.

Recommended Time Allocation

Opening Remarks: 5 minutes
Activity..... 30 minutes
Final Questions, if any...: 5 minutes

Applicable Levels for this Session

This session is applicable to all four levels of AEW and CMS.

However like many of our modules, at the highest level, or when students have taken the marketing course, some of them may find part of the material basic. It is therefore important for the Facilitator to point out that:

1. The concepts in marketing are universally the same. While it is important that the students learn them, it is more important that the students go beyond just learning what the P's are. The purpose of this lesson is that the students begin to make a judgment as to which of the 7 P's are of more value to their business and which ones are not. For this reason, we start with the P's but then, do away with the theory, keep it simple and use our participatory methodology. The P's are like a menu at an à la carte restaurant: You don't have to order all the dishes

The purpose of this lesson is to teach the participants how to discern the value of the different P's for their business.

or in the same portion. We want our students to acquire the ability to discern the value of the different P's for their business.

2. Secondly and less importantly, consistent with I Create's philosophy, I Create has added two more P's – People and Philanthropy. These will be covered later.

- Ask the students in the class to volunteer their understanding of:
 - Marketing
 - Selling

Note for the Facilitator

Sometimes there is confusion between Selling and Marketing. Sometimes people also use marketing interchangeably with “shopping”. When you ask someone who has gone shopping, they might say they went marketing (they mean to say “they went to the market”).

As a first step, during the above question answer session, provide a clarification between Marketing, Selling and, of course, Shopping. Marketing consists of all those activities which support sales, but it is NOT Selling. Principally, marketing consists of educating the customer about the product or service you are providing. A sale, on the other hand, is the process of actual exchange of a product or service in return for money or other compensation.

One can market a product or service without actually having produced the product. For example, you can announce and educate the customer through advertisement about your product or service and when it will be available such as opening of a restaurant, availability of apartment for rent etc. For the actual sale to take place, the product or service has to be available

Tip to the Facilitator: In giving the above example, you can ask the students, “Why is the second example an act of selling even though you are offering it for rent and not for sale?” (The answer may come that offering an apartment for rent is a service you are offering as a rental agency or even as an owner. So the product you are selling here is a service.)

Now if Marketing is about educating the customer – what do we educate him/her about and how do we do it? This process is known as the marketing mix. To make it easy for students to remember, the elements of the marketing mix are often categorized by words that start with P in English, thus, the 7 P's of Marketing.

Marketing consists of all those activities which support sales, but it is not Selling.

Activity

Ask each team to develop their marketing mix for the product/service idea in their Biz Plan by answering the questions that follow. Please explain that when they come up with their answers, they should also explain why they came up with that answer. In other words, they should not just say what their choice is, but should also explain the rationale for it. Let's say they are discussing their choice of the "place" (one of the marketing P's) for their business. So, they may say they want to open a canteen and decide to offer their canteen service near a college because none exists nearby.

Ask the teams the following questions:

- What is the product or service that you are offering? List/identify the characteristics of the product/service as applicable, such as: Design, Packaging, Specification, Color, Size, Functionality, Brand name etc.
- Where will it be available? Where will you distribute or sell it?
- At what price will it be available? Any price promotions?
- How will you reach your targeted customer with this information?
- How will you ensure that your target customers would prefer your product and not that of your competition?
- What kind of image do you want to give your product/service? Luxury, Premium, Value, Bargain etc.
- What other actions will you take to ensure that your current customers, employees, suppliers and community at large prefer you over others?

After the groups have done their team work, get the discussions going and derive the seven P's of marketing from their answers. For that, make seven columns on the board (without headings) and place the information received from the participants/teams under the appropriate columns. In the end, you can place the headings for the columns **Product**, **Price**, **Place**, **Promotion**, **Positioning**, **People** and **Philanthropy**. (Don't be overly concerned if no one has given an answer that falls under the Philanthropy category.)

Remember, it is important that with each answer they provide a rationale for it. Pursue the rationale a bit more with the team if either the answer is not fully clear, or is not quite applicable to the product or service.

Important Note to the Facilitator

The purpose of this class is to have the class thinking creatively and not checking the marketing mix boxes. The more you encourage this, the greater would be the value of this session to the students. It is important that they learn why they picked up a particular 'P' for their business plan and not some other 'P'.

Also let the students know at this stage that since most small businesses are likely to be on a small budget, they may not be able to hire Shah Rukh Khan to promote their business ;). So they will be given a lesson on "How to promote their Business Inexpensively (Sa re ga ma pa)."

Required Background Reading for the Facilitator in planning the above lesson—The Seven P's of Marketing

Product

What is your product? Is it a product or a service? Does your product or service meet the needs of your customer? Possible characteristics of your product

- Shape
- Design
- Packing
- Color
- Utility
- Quality

Price

What is the price the market will bear based on how you have positioned the product?

What is your competition's price?

What is the cost of the unit and the breakeven point as a starting point?

What kind of discount or price offer would be appropriate?

Place

What is the best place for you to offer your product or service? Your own store? In a large store? If so, where in the store would you like to place the product? Is home a good place to offer the service or product? Etc.

Promotion

Promotions can be in different forms—price, media, place. The following are choices for media/publicity.

- Newspapers and magazines
- Advertisements
- Posters
- Phone Calls
- Exhibitions
- Radio/television
- Hand bills
- Door to door publicity by Word of Mouth

It is important that the students use their limited promotion budget very judiciously. (Also please go over Sa Re Ga Ma Pa for preparation of the 7 P's lesson.)

Positioning

Position your product according to the customers you want to reach and the image you want to create in their minds about your product or service. It could be based on

- Age
- Sex
- Purchasing power
- Economic level
- Community

Positioning is about building an image in the minds of the customer. For example, one company may position its soap as beauty soap for women (such as LUX), while another company or brand may position it as health soap for men (like Dettol). Mercedes Benz is positioned as a 'Luxury Car' and Tata Nano as a 'Utility Vehicle'. **It is important that once you have decided how to position your product, the entire marketing mix is designed to create that positioning.**

People

Customers and employees are some of the key people in your business. The way an entrepreneur treats his customers and his employees directly affects the success of his business.

Customer – How do you create the image of your business as an honest one in the minds of your customers? How is your relationship with your customers? Is your sales staff polite and respectful?

Employees – Do you give a fair wage? Do you treat them with respect?

Philanthropy

You can think of creative ways of giving that will also help your business. For example, if you have a sports equipment business, you could sponsor an annual cricket match for the local community. This will create goodwill among the potential buyers of your product and give it publicity.

.....

Further Reading

- http://wiki.answers.com/Q/The_Difference_Between_Selling_and_Marketing

14. Pricing (An Important “P” of the Seven P’s in the Marketing Mix)

Pricing is a Policy; Cost is a Concept
and Expenses are real!

- *Anonymous*

Learning Objective

- ✓ Understanding the key factors affecting the pricing of a product or service.

Session Plan

Recommended time allocation:

Discussion.....: 5 minutes
Activity.....20 minutes
Overall comments and NY Times Story by Facilitator.....: 5 minutes

Discussion

Lead the discussion by posing the question “What is Price?”

From the many responses you will get — like “the cost of the product”, “what you pay to get what you want to buy”, “MRP printed on the packet” etc. — you can select the most appropriate one that comes close to the following:

“Price is ultimately the amount which the buyer is willing to pay and seller willing to accept for a product or service.”

Activity

- Next question to ask is, “What are the factors that go into the pricing decision?” As the price is to be mutually agreed upon, it is critical to look at the factors “Buyers” and “Sellers” consider important for their buying or selling decision based on price.

- Divide the class in four groups: one group should represent a manufacturer, one a retailer, one a customer group (male), and one a customer group (female).
 - a. Give them seven minutes to identify the points their group considers as the five most important factors (*and the reasons thereof*), that determine their pricing decision — as a seller, in the case of the manufacturer and the retailer, and as a customer, for the other two groups. (In the case of buyers, pricing decision is what they are willing to pay for a product or service.)
 - b. Each group can choose the individual product or service they are selling or buying.
 - c. Each group should decide among themselves who is their group’s target customer.
 - d. Each group should appoint a spokesperson who will tell the group’s answers to the class. (Ask them to appoint someone who has not had a chance to be the spokesperson in the various sessions so far.)
- After the seven minutes are over, invite each spokesperson to the front of the class and ask him/her to describe “b” and “c” above first, and then explain the factors as per “a” above. While the spokesperson speaks, ask another member of the group to write the points on the board or the flipchart. Paste the individual flipchart sheets in a separate place so all of them are visible to the entire class. (If the presentation is being projected, ask the class to make notes of each of the group’s answers in their notebooks.)
- Now, invite the class to comment on any of the items. They can disagree, but must explain why or add some new point and explain why. Allow about 10 minutes for this discussion.
- Your role would be to add or modify the factors and help the class come up with the rationale for their responses, and to add any more points needed from the ones given below.

The facilitator’s role should be to add or modify the factors and help the class come up with the rationale for their responses, and to add any other required points.

For Facilitators

(For further classification, these factors have been categorized as internal and external factors.)

Illustrative Internal Factors

Costs Incurred: The entrepreneur has to recover all the costs incurred. So this is an important factor. (Very often you may get suggestions like raw material cost, transport, machinery etc. All of them put together are what we refer to as Costs Incurred.)

Expected Profit: Since the primary reason one is in business is to earn profit, the element of profit is an important factor.

Shelf life of the Product: Very often one sees prices being reduced as the expiry date of a product approaches or if the product is likely to perish (for example, fruits & vegetables in the evening).

Illustrative External Factors

Price of Competitive Product or Service: If there are others providing a product at Rs.1,500 a piece, your price for a similar product will have to have a bearing on this price. Another good example is bus charges from point A to point B. Two service providers offering service from point A to point B would be forced to charge similar amounts if both are competing for the same customer.

Indirect (Substitute) Product Price: As the money with customers is often finite, they will look for the best value for their money. If a plate of Pakodas is Rs.100 and a similar sized Bhel Puri is Rs.200, then chances are more people will go for Pakodas to stretch the limited budget they have.

Seasonality of Supply: If a product or commodity is seasonal in nature, at the beginning of the season the prices will be higher than at the peak or end of the season.

Seasonality of Demand: Prices tend to be higher during festive seasons — Diwali, Pooja, Ganesha Festival, Marriage Season, Ramadan, Christmas etc. — because of higher demand.

Purchasing Power: The pricing is also dependent on the affordability of the customer. Your product may have the best features but if price exceeds what a customer can afford, it would be difficult to sustain the business for a long time.

Snob or Prestige Value: There are some who buy a product just to make a statement. They usually purchase only products that are premium brand names. For example, they would buy only “Peter England” shirts or a watch like “Rolex” or a pen like “Mont Blanc”. The makers of these products are able to price these products at a much higher level than the cost can justify. Sometimes, such customers are looking for exclusive products and will be inclined to buy the product simply if it has a high price tag.

Elasticity: This is the other side of Supply/Demand coin. Demand for essential commodities remains inelastic, whereas for luxury items, it is elastic. Inelastic means demand for the item remains constant (over a certain period of time) even if prices go up. For luxury items, demand may drop when prices go up and vice versa.

Government Policies: Sometimes, the government regulates the prices such as for utility rates (electric, cell phone), medicines, fares etc.

Transaction Convenience: In single product retail trade, shortage of change is a problem. So the price is kept at a level that is convenient for transaction. Examples – newspaper Rs.3 (and not 2.87), tender coconut Rs.10 (not 9.35), packet of chips Rs.10.

.....

Finally, you should end the class with the story from NY Times, April 2013, given below. (Language changed for easy understanding.)

Sometimes, We Want Prices to Fool Us

WHEN the board of J. C. Penney ousted its chief executive, Ron Johnson — news that broke recently — you might say it was, in some small way, because he didn't understand Mrs. Mary Thompson.

Mrs. Mary Thompson, who lives in Edison, New Jersey, plans meals around discounts offered at the grocery store and always checks coupons in the newspaper and flyers before buying clothes. When, a little over a year ago, J. C. Penney stopped promoting sales and offering coupons and instead made a big deal about its "everyday" low prices, Mrs. Thompson stopped shopping there. It wasn't that she thought the prices were bad, she said. She just wasn't having any fun.

"It may be a decent deal to buy that item for \$5," said Mrs. Thompson "But for someone like me, who's always looking for a sale or a coupon, seeing that something is marked down 20 percent off, then being able to hand over the coupon to save, it just entices me," she said. "It's just the way I get my sale fix."

Devoted coupon users like Mrs. Thompson may be more frugal than the typical consumer. But most shoppers, coupon collectors or not, want the thrill of getting a great deal, even if it's an illusion.

The change in policy of J.C. Penny to have **a low price every day** instead of having **coupons, specials** and **sales** caused a 25% or \$5 billion drop in sales in 2012.

In recent months, JC Penney recognized this human trait and backtracked on its pricing policy, offering coupons and running weekly sales again. **And it started marking up items to immediately mark them down for the appearance of a discount.**

Suggested Optional Reading

- <http://www.knowthis.com/principles-of-marketing-tutorials/pricing-decisions/factors-affecting-pricing-decision/>
- <http://www.strategicbusinessteam.com/small-business-marketing-strategy/7-critical-factors-that-will-influence-the-pricing-of-your-product/>
- <http://www.netmba.com/marketing/pricing/>
- http://entrepreneurs.about.com/od/salesmarketing/a/pricingstrategy_2.htm

15. Business Arithmetic: Overview

Accounting is crucial for running a business. And, at a micro business level, it is not much more than basic arithmetic

-Anonymous

Most people freeze in their tracks the moment they hear the word “accounting”. That is because accounting has been made into a “complex subject”. However, we are not trying to create accountants but entrepreneurs. And successful entrepreneurs need to understand basic accounting concepts in a simple manner. For that, they need to have very simple and basic arithmetic abilities — addition, subtraction, multiplication, division and basic concept of percentage. This will help the entrepreneurs understand the fundamentals of the business numerically. Anything beyond this would be the accountant’s job.

An entrepreneur with average arithmetic skills can manage the crucial cash flow and basic book keeping of his/her business reasonably well.

At I Create, consistent with our approach to simplify and demystify business, we have made extraordinary efforts to simplify accounting by using easy everyday words rather than technical words used by professional accountants. (There will always be those in the class who have an accounting background. Please mention right in the beginning of each accounting module that the program is intentionally basic and simple, so that those with even zero accounting background can also understand.) Secondly, we teach accounting by simple exercises and, as people practice, they will find accounting become progressively easy. So the key is to “jump in”, and yes, the trainees will make some mistakes, and “gulp some water”, but soon they will become comfortable with basic accounting, so essential for a small business owner.

As you do these sessions, do encourage the participants to ask questions, even if they sound simplistic, and if needed, repeatedly.

The following seven sessions are to be taken in the sequence in which they are indicated:

- 6.1 Cash Book (One Session)
- 6.2 Types of Costs (One Session)
- 6.3 Unit of sale, Unit Cost and Unit Price (One Session)
- 6.4 Income Statement & Break Even Analysis (Two Sessions)
- 6.5 Cash Flow Projections (One Session)
- 6.6 Business Arithmetic Revision (One Session)

Important Note

- Do not plan these sessions continuously one after another. Spread them over a period of two or three days.
- While moving from one session to the next, recap the previous session discussion.
- Income Statement and Break Even Analysis have been allocated two sessions. The first is to discuss the case of Savita Saree Shop – Income Statement and the second for the Break Even Analysis, after having done the income statement with simpler examples (as given in the session plan) and basic Break Even discussion in the previous session.
- Have a seventh session for the revision of the earlier six business arithmetic sessions. Ask the class what they want you to go over in the seventh session. (This extra session is being added in response to the feedback at training sessions asking for more time for accounting.)
- In spite of all of this, the participants may still have questions while they are doing the Business Plan. Without giving answers to specific computational questions, do explain the concept again.

16. Cash Book – What, How and Why

Never spend your money before you
have earned it.

–Thomas Jefferson

Learning Objectives

- ✓ Understand the various sources of money coming in to the business and the different ways money is spent by the business.
- ✓ Understand the importance of keeping track of inflows and outflows.
- ✓ Learn how to keep a record of money received and paid – in a simplified manner.
- ✓ Understand that cash balance in the cash book is not necessarily the profit.

Session Plan

Brief introduction about the session: 3 minutes
Activity – sources & uses of money..... 12 minutes
Cash book Format.....: 3 minutes
Cash book Exercises..... 17 minutes
Discussion and summing up 10 minutes

Materials Needed

- Note book
- Exercise Hand out
- Blank Cash Book form

Brief Introduction

- The importance of cash (money) in business is similar to that of blood in the human body. In business, all transactions are made by paying or receiving money (not barter trade), or equivalent of cash such as checks. Sometimes when the businesses have trust in people, cash does not cross hands but instead they are given “credit” or “loan” with an understanding that cash will be paid at some later date and loan considered paid.

- All these cash transactions are recorded in a note book called a cash book. (In accounting language, the cash book is a book of original entry. The accounting term “entry” simply means making a note of the cash received or given, or entered in the cash book.)
- Maintaining a cash book is essential for every business.
- You can use the example of a homemaker who has to manage the household expenses and for which she keeps record, or children who keep records of pocket money, to emphasize that at every level, keeping record is essential for good money management and control.
- Before we start recording the receipts and payments, let us understand the various ways by which money comes in to the business and is spent by the business. Let us do an activity. We can call receipts of cash as inflow, and payments of cash as outflow.

Activity — Sources and Uses of Money:

- Ask each participant to take a sheet of paper and draw a vertical line in the center.

Each participant should write down, on the left side of the sheet, at least five ways in which money comes in to the business – **inflow or receipts**. Give one minute for this.
- In the next two minutes, ask them to write on the right side of the sheet, at least 10 ways by which money is spent by the business – **outflow or payment**.
- Please make sure that the participants are sitting in their groups/teams (which were formed earlier). After they have made their individual lists, ask them to consolidate their lists – thus making **one inflow list** and **one outflow list** per team/group. Ask them not to list the same item more than once in the consolidated list.
- Go around the class and ask each team to give one reason for inflow and two for outflow. Tell the teams that they should listen carefully and not repeat what has been given by earlier teams. As others call out items, they may place a tick mark next to the item in their list.
- As the teams give the reasons from their list, you should either write them down on the board or the flip chart or enter them in the spreadsheet on the laptop and project it using the LCD projector.

- If a team does not have anything to add, they can say “pass”.
- You should typically stop after three rounds. By this time, you would have accumulated sufficient number of inflow and outflow reasons.

TIPS

- While this activity is needed for all levels of AEWs, at Level 1, writing may not be possible. You might have to depend on oral presentations by participants.
- The number of reasons given by the participants generally tends to be higher at higher levels of AEW.
- To assist you in supplementing the discussions and list generated from participants, a typical list of inflows and outflows is given below. This is not exhaustive. You may add your own. But please keep the time available in mind.

Inflows	Outflows	Outflows
Owners' Equity or own money invested in the business	Land	Salary
Loan Received	Building	Wages
Sales Receipts	Plant & Machinery	Bonus
Interest Earned	Furniture & Fixtures	Employee Benefits
Subsidy Received	Interior Decoration	Advertising
Sale of Assets	Tools	Rent for Premises
Claims Received	Computers	Interest on Loan
Govt. Subsidy Received	Raw Material	Insurance premium
Sale of Scrap	Packing Material	Travel
	Transportation	Sales Commission

Cash Book Format

Accounting text books and accounting teachers would normally provide a very detailed format — with many columns — for maintaining the cash book. In line with the KISS (Keep it Simple Sahib or Sahiba or Keep It Short & Simple) principle, we have designed a simplified format. This has 6 columns for CASH only and 9 columns for CASH & BANK.

Please note that we have avoided technical jargon like Debit (Dr.), Credit (Cr.), To, By etc. These are of course needed for accountants but not for the grassroots or small entrepreneurs.

Initially, introduce only the CASH format of cash book. Once that has been understood and an exercise has been done, then introduce the CASH & BANK format, followed by another exercise. Before doing the second exercise (Cash and Bank), explain the concept of check. Also, you would do the second exercise with a group where members are either already familiar with basic banking or plan to open a bank account.

Please see below for exercises.

While the forms are self-explanatory, please go through the columns and explain what is to be filled there.

Please reinforce that for every transaction being recorded there must be a description — even if it is not very formal, e.g., money spent on auto, cup of tea at road side vendor etc.

Cash book format for Cash only

Date	Description	Ref No. (Voucher or Bill)	Cash Received	Cash Paid	Cash Balance

Cash book format for Cash and Bank

Date	Description	Ref No. (Voucher/Bill)	CASH			BANK		
			Cash Recd.	Cash Paid	Cash Balance	Check Received	Check Issued	Bank Balance

Cash Book Exercises

There are two exercises – Cash only and Cash & Bank. Each participant gets a write up for each and a blank form for filling. **Please do not distribute both exercises at once.** Take up the second, after the first one is completed.

Forms are included in the session plan, for making copies.

Give about five minutes for each exercise. After five minutes, place a blank sheet on the flip chart (or LCD) and ask each group to give answers for one transaction at a time and ask the rest of the class to say whether it is right or wrong. After completion of both the exercises, you can move on to the discussion and summing up part of the session.

Note about Credit Transactions

While credit (whether given or taken) transactions do not get entered in the cash book, it is very important for the entrepreneur to keep track of these and make appropriate entries in the cash book. To help achieve this, a simple format like the one below would be helpful. It will also ensure that tallying or reconciliation becomes easy.

Also, note, we encourage our entrepreneurs to keep all transactions as cash and not give credit. This is sometimes difficult but must be kept to a very minimal level; otherwise, the entrepreneur often ends up spending more time in collecting credit and losing money when the creditors don't pay.

Record of Credit Transactions

Sold on Credit					Bought on Credit				
Date	Amount	Description	Date money received	Date Entry made in Cash Book	Date	Amount	Description	Date money paid	Date Entry made in Cash Book

NOTE

These exercises are not useful for AEW Level 1. A separate game, as explained later, is to be introduced for them.

Exercise 1 – Cash Transactions Only

Ratan Singh is an owner of a shop in a three-star hotel at Ranthambore. He sells T-shirts and mementos to the tourists at that shop. He also takes a stall on rent at crowded places on a daily basis. Details of daily transactions for the month of July are given below. Let us suppose he started his business with an opening balance of Rs.30,000

1. On July 01, to start his business, he buys some furniture and basic supplies that cost him Rs.15,000
2. On July 2, he buys 3 dozen T-shirts @ Rs.1,200 per dozen.
3. On July 6, he decides to sell the T-shirts at the temple area on the forthcoming Sundays. And for that, he pays an advance rent of Rs.100 per day. Apart from that he spends Rs.200 for the banners and Rs.50 for handbills.
4. On July 7, he sells all the T-shirts @ Rs.200 per piece.
5. On July 10, he again purchases five dozen T-shirts @ Rs.1,200 per dozen.
6. On July 14, he sells four dozen T-shirts at Rs.200 per piece and the remaining T-Shirts at Rs.190 per piece.
7. On July 16, Ratan Singh again purchases five dozen T-shirts @ Rs.1,200 per dozen. He spends Rs.500 on commissions and Rs.300 more on pamphlets and Rs.100 on another banner.
8. On July 21, Mr. Singh sells 3 dozen T-shirts @ Rs.200 per T-shirt.
9. On July 25, he purchases 3 dozen T-shirts at Rs.1,200 per dozen and manages to sell all his T-shirts @ Rs.200 per piece on that same day.
10. He pays the tea expenses of Rs.300 for the current month on July 31.

Please prepare a cashbook, as if it has been done on a daily basis and calculate the closing balance. Is his closing balance his profit for the month of July? Please discuss.

Entrepreneurs should keep all transactions as cash and not give credit. This is sometimes difficult, but must be kept to a very minimal level; otherwise, the entrepreneur often ends up spending more time in collecting credit and losing money when the creditors don't pay.

Exercise 2 – Cash and Bank Transactions

Ms. Laxmi, who runs a stationery store, has the following transactions. Please help her with the Cash book for her operations.

1. On 1st of January, she has Rs.12,500 in cash and Rs.25,000 in her bank account.
2. On 3rd January, she makes a cash sale of Rs.9,500.
3. On 4th January, she receives a check for Rs.6,000 from Excel Company for sales made in December.
4. On 6th January, she buys filing cabinets and makes a check payment of Rs.5,000.
5. On 6th January, she makes cash payment of Rs.15,000 for various stationery items purchased.
6. On 7th January, she withdraws cash of Rs.5,000 from her checking account.
7. On 8th January, she pays salary of Rs.5,000 to her sales girl.
8. On 9th January, she pays the monthly rent of Rs.2,500 by check.
9. On 10th January, she deposits Rs.5,000 in her bank account.

Please prepare a cashbook, as if it has been done on a daily basis and calculate the closing balance.



IMAGE COURTESY OF PATPITCHAYA / FREE DIGITAL PHOTOS.NET

Ratan Singh's Cash book (Exercise 1)

Date	Description	Ref No. (Voucher/Bill)	Cash Received	Cash Paid	Cash Balance
July 1	Opening Balance				30,000
July 1	Purchase of Furniture	1234*		15,000	15,000
July 2	Purchase 3 Dozen T Shirts	2345*		3,600	11,400
July 6	Rent, Banner & Handbill	3456*		350	11,050
July 7	Sale of 3 Dozen T Shirts	4567*	7,200		18,250
July 10	Purchase 5 Dozen T Shirts	4567*		6,000	12,250
July 14	Sale of 5 Dozen T Shirts		11,880		24,130
July 16	Purchase 5 Dozen T Shirts			6,000	18,130
July 16	Paying Commission			500	17,630
July 16	Banner & pamphlets			400	17,230
July 21	Sale of 3 Dozen T Shirts		7,200		24,430
July 25	Purchase 3 Dozen T Shirts			3,600	20,830
July 25	Sale of 5 Dozen T Shirts		12,000		32,830
July 31	Monthly Tea Expenses paid			300	32,530
	TOTAL		38,280	35,750	

* Sample voucher nos.

Questions for Discussions

1. Is Rs.32,530 his profit for the month of July? Or Rs.2,530 (= 38,280-35,750) his profit? Why?
2. Can his actual cash in the cash box be different from Rs.32,530 on 31st July? Why? What does it mean?

Balance in the cashbook
(or the cash box) does
not represent the profit.

Tip: Using these questions for discussions, you should be able to reinforce the following:

- Balance in the cashbook (or the cash box) does not represent the profit.
- It is important to write the cash book regularly (daily or even more frequently) to ensure no transaction is missed out.
- Every transaction, however small, must be recorded immediately.

Lakshmi Stationary Stores (Exercise 2)

Date	Description	Ref No. (Voucher /Bill)	CASH			BANK		
			Cash Recd	Cash Paid	Cash Balance	Check Received	Check Issued	Bank Balance
Jan 1	Opening Balance				12,500			25,000
Jan 3	Sale		9,500		22,000			25,000
Jan 4	Paid by M/s. ABC & Co.				22,000	6,000		31,000
Jan 6	Filing Cabinet Purchase				22,000		5,000	26,000
Jan 6	Purchase of Stationary			15,000	7,000			26,000
Jan 7	Cash Withdrawal		5,000		12,000		5,000	21,000
Jan 8	Salary Paid			5,000	7,000			21,000
Jan 9	Rent Paid				7,000		2,500	18,500
Jan 10	Deposit to Bank			5,000	2,000	5,000		23,500
	Total		14,500	25,000		11,000	12,500	

Questions for Discussion

1. Will the closing balance shown under bank balance always match with the balance in the pass book/ bank statement? Why?
2. Only the transactions on 7th January and 10th January have two entries; others have only one entry. Why?

You may also bring in the concept of ATM machine and explain that money being withdrawn from ATM is like Check Issued and there will be two entries – check issued (hence out flow from bank) and a similar amount received as cash.

NOTE

Power Point Presentation: You may use it as appropriate to supplement your talk and discussion, or for lesson preparation. However, it is best to keep the module interactive and not dependent on the Power Point presentation.

17. Types of Costs

Pricing is a policy, cost is a concept
but expenses are real!

-Anonymous

Learning Objectives

- ✓ Learn about types of costs in a business.
- ✓ Understand the characteristics of each type of cost.
- ✓ Learn about the sources of funding for each type of cost.
- ✓ Plan cash needs for a business.

Session Plan

Activity..... 20 minutes
Discussion.....: 7 minutes
Conclusion.....: 3 minutes

Activity

- Ask each participant to think of 10 different cost items in starting or running the business they have selected and write it down on a piece of paper. Remind them to write specific items rather than broad categories of cost. So it should not be 'Marketing' but instead it should be 'bill boards', 'TV advertising', 'Brochures' etc.). Also emphasize that at this stage **amounts are not needed**, only the reason for the expense.
- You can remind the participants that part of this exercise was done in the CASH BOOK lesson – when identifying the items in cash outflow.
- Give them 3 minutes to complete this.
- For the next 4 to 5 minutes, ask the participants to discuss with their teams and come up with a consolidated list of expenses.
- In the meantime, make three columns — without any headings — on the writing surface or the Laptop (Excel Sheet), for you to enter responses from the teams.

Tip for the Facilitator

The three columns are for **“Start Up Cost”**, **“Fixed Cost”** and **“Variable Cost”**. Please do not write them yet.

Keeping these headings in mind, place the “expense item” given by the team (see below) in the appropriate column.

- Now ask each team to give two reasons for which they need money. Also remind other teams that they should listen carefully and avoid repeating what has already been stated. Ask them to put a tick in their list if it has already been stated or add it to their list if it was not originally there.
- Go around at least three times to cover the majority of points. Teams can say “pass” if they do not have anything to add. This should take about 5 to 6 minutes – thus a total of about 13 to 15 minutes from the start.

At the end of these 15 minutes your flip chart, board or spreadsheet on the LCD projector should look like the following table:

Land	Travel	Raw Material
Building	Salary	Packing Material
Computers	Wages	Freight inward & outbound
Equipment	Rent	Sales Commission
Machinery	Telephone	Royalty
Vehicles	Water	Factory Power
Vessels	Office lighting	Piece rate
Software	Office stationary	
Registration	Employee welfare	
Inauguration Pooja or ceremony	Donation	
	Advertising	
Raw Materials	Insurance premium	
Salary during initial period	Consultancy charges	
Deposits		
Rent advance		
Start Up Cost	Fixed Cost	Variable Cost

- Once a sizeable list like this one is arrived at, you should take up each column and pose the question – “Why did I group these together?” You will very often hear terms like – Fixed Assets, Fixed Costs, Overhead, Major Expenses etc. You have to, through probing and cross questioning, get them towards “Start Up Cost”, “Fixed Cost” and “Variable Cost”.

Some of the questions that are helpful for such prodding and directing are:

- When are these incurred?
- How often are these incurred?
- How does the amount of this cost vary or what does it depend upon?
- Will you be happy if these costs increased? or decreased?
- After this discussion and getting the participants to arrive at the correct headings (on their own or with probing), you can use the following to sum up the concept of the types of costs and also use the **Power Point Presentation**, where appropriate. Do not forget the chocolates for good, interesting or thought provoking responses!

Start Up, Fixed and Variable Costs

Expenses or costs incurred to start and run a business can be classified into two broad categories — (i) Start Up Costs and (ii) Operational Costs (which will include fixed and variable costs)

Start-up Costs consist of expenses for (a) acquiring assets, as well as (b) for acquiring initial raw material and other related items of initial expenses, till such time the cash flow from the business can provide for these. This part of the start-up expenses is known as working capital.

Operational Costs, as the name suggests, are for carrying out the day-to-day operations of the business or enterprise. These can be broadly categorized in to (i) Fixed Costs, and (ii) Variable Costs.

Start-Up Costs

The costs of legally registering your business or purchasing a computer are examples of one-time business startup costs. Securing a separate business location might include one-time costs of rental deposits, building construction, interior and exterior building design, signage, feasibility report, office furniture and equipment, machinery installation and insurance deposits. Stocking inventory or manufacturing your products might require one-time startup costs in terms of raw material, packing material etc. All these expenses occur from the time you start the planning and preparation (i.e. many months before the actual operation beginning). If actual operation begins in Month 1, then all these start-up expenses will be clubbed together in “Month 0” for cash flow projections. If the period of “start-up” is long, then Month “0” would have to be split up and funds requirement appropriately reflected.

TIP: Quite often the terms “Start-up” and “one time” are used interchangeably. We prefer “start up” to “one time” as some of the items in the “start-up” phase may again be purchased in the near future – e.g. computer, furniture, machines etc. So the “one time” label creates some confusion.

Fixed Costs

These are ongoing costs not affected by changing sales volume. Monthly utilities, rent and equipment leases can be considered fixed costs. Taxes, annual business registration fees and regular licensing costs can also be put in this category. Employee wages and salaries plus workers' compensation, insurance and any employee welfare expenses are fixed costs. Other examples are – advertising, office expenses, utilities, insurance premium and many more.

Fixed costs are not dependent upon the level of output (goods or services) in a business or sales; these expenses take place in a time frame or period of time irrespective of whether the sales increases or decreases and hence they are sometimes called “Period Costs”. They happen over a period of time, for

example annual, week or month. Salary could be called Period Cost, since it often occurs every month. It is important to remember that these costs are “fixed in nature” and not necessarily “fixed in amount”. For example, telephone bill may vary slightly month to month, depending on the usage. However, this variation is not linked to the sales volume directly. Rent is fixed per month, till it is revised by negotiation. Thus it may be different in different years, but not because of an increase or decrease in sales.

Caution: Please don’t go into discussion on period costs with your students; but if a student has accounting background, and asks such a question, you can explain. Otherwise, keep it simple.

Variable Costs

Variable costs are those which DO vary as a total cost to the organization when output (number of items of goods or services produced) varies. In fact a true variable cost will vary in exactly the same proportion as the output. In other words, as sales increase, variable costs increase. (The assumption is that the output will directly vary with sales.)

Examples of variable costs are raw material, packing material, transportation (in-bound and outward), sales commission, process waste, consumables, piece rate paid to the workers etc.

Some examples for certain industries follow.

An example of a variable cost for a bakery would be the cost of flour, sugar, baking powder etc.

In a service business, there are often fewer variable costs. Often the main variable cost in providing a service is the cost of wages for an employee working directly in providing the service. Other variable costs in a service business would be anything directly ‘used up’ during the provision of the service. For example, oil may be used with massage therapy, and there may be the cost of laundering one or two towels.

It should be possible to express variable costs per item of output or sales.

It is important to remember that Fixed Costs are “fixed in nature” and not necessarily “fixed in amount”.

Important Note to Facilitators

For classifying a particular expense as either fixed or variable, it is important to know for which industry or type of business it is related to. For example, telephone bill is generally a fixed expense, except when it relates to a “Call Center”. The cost of paper in an office or shop would be fixed but in a printing business it would be a variable cost, like other raw materials.

You can use some more examples to drive home this point: fodder to the cows (variable, because more cows mean more milk), water in the office (fixed), stationery in a coaching class (variable – more students means more stationery), stationery in an office (fixed).

Key point to remember is not to classify an expense in one or the other category, without knowing which business it refers to.

Why learn about different type of costs

Ask this question, and have a discussion on this topic. Eventually, the idea is to have them understand that when you are doing cash flow or financial planning for a business you want to start, once you know what costs occur when, you can plan your finance accordingly. For example ask them when they would need Start Up costs and how much of the other two costs they should plan for and when?

Further Reading

- <http://www.ruralwomen.org.uk/pdfs/book4businessviability.pdf>
- <http://economics.about.com/cs/studentresources/a/costs.htm>

18. Unit of Sale, Unit Cost and Unit Price

Defining your Unit of Sale is central to understanding the economics of your business, your sales forecast and planning, developing your marketing strategy, and for management of your inventory.

-Anonymous

Learning Objectives

- ✓ Understand the importance of Unit of Sale, Unit Cost and Unit Price in a business.
- ✓ Determine or calculate the Unit of Sale, Unit Cost and Unit Price for your Business Plan.

Session Plan

Discussion.....: 7 minutes
Activity: 20 minutes
Summing Up.....: 3 minutes

Materials Needed

- OPTIONAL: You can take a few samples of items from Table 1 below just to make it a more demonstrative session.)

Important Note

Make sure that before this session is conducted, participants have been formed into teams and that each team has identified its business idea for the purpose of Biz Plan Competition. The learning in this session is mostly through working on part of the business plan that covers the unit of sale, the unit cost and the unit price).

Unit of Sale: Ask the participants what they understand by Unit of Sale.

You may or may not get a very correct response. It could be something like “measure of what we sell” or “items we sell”.

The best way to explain the concept is by giving examples of Unit of Sale. So, you may ask as to what are the units of sale in the following examples (refer to Table 1 below). (**Note:** The third column is for your use and not to be shown to the class.) Of course, first of all, you need to identify what is being sold and the common denominator in the sale. Think of Unit of Sale as the unit you would use to bill a customer. So how does a lawyer bill his client? Mostly by the number of hours he has worked for the client.

With these examples it would become clear that Unit of Sale for different products/services could be – weight, volume, length, area, number or time.

The next question for discussion is: “Why do we need to know or define the unit of sale?”

After different responses like – need to know how much we are selling, what is the common denominator for the cost, for comparison of price with competition etc., one can sum up the need for understanding unit of sale as: “To understand the economics of the business in an easy and standardized manner and for tracking the past with the future and to be able to take corrective action.”

Table 1

Business	Item being Sold/ Serviced	Unit
Fruit Vendor	Apple	Kg
Grocer	Rice	Kg
Dairy	Milk	Liter
Grocer	Oil	Liter
Garment Shop	T Shirt	Piece or Number
Textile Shop	Fabric	Meter (of fixed width)
Real Estate Developer	Apartment	Square Feet (Area)
Plumber	Plumbing Service	Time: Hour
Lawyer	Legal Advice	Time: Hour
Consultant	Special Advice	Time: Hour
Coaching Class	Tuition	Time: Hour
Baker	Cake	Kg
Baker	Puffs	Piece or Dozen

Unit Cost: Question to be asked now is: “What is Unit Cost?”

Response could vary from cost of production to total cost of a product or service.

Please explain that in this case we are referring to the “Variable Cost” of the product or service (as explained in the session on Types of Cost).

Take a simple example of a Tea Vendor and explain that the sum of costs (per cup) of milk, sugar, tea leaves as well as cooking fuel used and disposable cups makes up the Variable Cost or the Unit Cost. Do not forget to highlight the process waste aspect – e.g. 1 liter milk and 2 liters water may not give 30 cups of 100 ml, but less ,say 28 or so, due to evaporation, spillage etc.

In this example one cup (of 100 ml) is the unit of sale and the total of the variable costs (such as milk, sugar etc. above) is the Unit Cost.

Also highlight that in order to calculate per unit cost, one might have to calculate the cost of milk, sugar, tea leaves as well as cooking fuel used and disposable cups for say 100 cups and divide by the total quantity. (Sometimes you need to also add the labor of the person making the tea to the Unit Cost, but we want to keep our example simple.)

Unit Price: Ask the questions: “What is Price?” and “Who determines the price of a product/service?”

Quite often the answer might be “what we want to sell at” and “manufacturer determines the price”.

Steer them towards “Price is determined by the market place, which often means competition.” The competition is not based on just price but mainly on quality, customer service, convenience of location and time of delivery. Mention that there will be a separate session on factors affecting pricing, if not already done so.

Briefly mention that price expectation by the service provider or manufacturer takes all costs and expected profit into consideration. Do not forget to remind that ultimately it is the consumer (market place) that determines the price at which a transaction takes place.

Price is determined by the market place, which often means competition.

Activity

- Ask each team to work on identifying the Unit of Sale for their business, compute Unit Cost (remind them about the tea vendor example, including process waste etc.) and fix Unit Price.
- Give about 15 minutes for this activity.
- Tabulate the results from each team in the following format on the writing surface, preferably through LCD projector using an Excel spreadsheet.

Team Name				
Business Idea				
Unit of Sale				
Unit Price				
Unit Cost				
Gross Profit / Unit =(Price-Cost)				

Gross Profit: Gross profit, which is also called **gross margin**, represents the business’s profit from selling product or providing service before deducting fixed expenses such as salaries, rent, marketing costs and other fixed expenses. Gross profit equals net sales minus the cost of goods sold.

Net Sales – Cost of Goods Sold = Gross Profit

It is calculated as sales revenue minus all costs directly related to those sales (variable cost) which include manufacturing expenses, raw materials, transportation of material, manufacturing labor, and other expenses directly related to marketing.

By doing this computation for a unit of sale, we arrive at Gross Profit (or Gross Margin). Gross Margin, when expressed as a percentage of selling price is referred to as Percentage Margin.

Summing Up

- Use the tabulated information for general discussion of the three concepts and also to give some feedback to the teams – both from other teams and yourself.
- Remind the teams and participants that the numbers they have arrived at in the 15 minute exercise may not be final. It may still require fine tuning and they should do so during business plan preparation.

Gross profit equals net sales minus the cost of goods sold.

Optional Reading

- http://www.readyratios.com/reference/analysis/contribution_margin.html
- <http://www.investinganswers.com/financial-dictionary/financial-statement-analysis/gross-profit-2077>

19. Income Statement & Break Even Analysis

Do what you love, but be damned
sure it's profitable.

–Steve Paulina

Learning Objectives:

- ✓ Learn about profit in business.
- ✓ Learn how to calculate profit for a given period, say, a month.
- ✓ Understand the Break Even Concept and its importance in business.
- ✓ Learn how to calculate Break Even Point.

Session Plan

Content in this session plan is to be covered over two sessions, preferably over two separate days. In the first session try and cover the basics of Income Statement and Break Even Analysis – using the examples given here. At the end of the first session, distribute the Savita Saree Shop Case study, together with blank forms for attempting the Income Statement & Cash Flow Projections for six months. In the second session (on the next day), take up the Income Statement for discussion (as detailed later). Cash Flow Projections are to be taken up in a subsequent session (separate session plan).

Material Needed

- Note book
- Exercise Hand out
- Blank Cash Book form

Activity

- Ask the participants what they understand by the word “profit”. Typically, you should get answers like

At a very basic level, Profit is the amount left after you have paid all the expenses for a period from the money you get from all the sales in the same period.

“money left over after meeting expenses”, “surplus generated by business”, “return to the owner” etc.

- These are generally correct and you can say so and move on to solving one or two of the examples listed here.

Instructions for the Facilitator

You may provide this definition either now or after the examples have been discussed:

At a very basic level, Profit is the amount left after you have paid all the expenses for a period from the money you get from all the sales in the same period. Depending on the amount of profit, a portion of the profits is paid to the government as taxes. Any profit, after the tax is paid, goes to the business's owners, who may take it out and use for their personal use or put it back in the business.

Thus, basically

$$\text{Profit} = \text{Total Revenue} - \text{Total Expenses}$$

Example 1

Suman has started selling bed sheets from her own house. In one month, she purchased 25 bed sheets from a wholesale dealer at Rs.100 per bed sheet and sold them at Rs.200 per bed sheet. She spent Rs.500 for advertisement. You have to calculate her income by preparing an income statement.

Example 2

If Suman sells only 20 bed sheets out of the 25 bed sheets purchased, what will her income statement look like?

Discussion on Examples 1 & 2

		Example 1			Example 2		
		Qty	Rate	Total	Qty	Rate	Total
Sales	A	25	200	5,000	20	200	4,000
Cost of Goods Sold (Variable Cost)	B	25	100	2,500	20	100	2,000
Gross Profit	C=A-B		100	2,500		100	2,000
Operating Cost (Advertising)	D			500			500
Profit Before Tax	E			2,000			1,500
Tax @ 15%	F			300			275
Profit After Tax	G=E-F			1,700			1,225

NOTE

Though at this level of sales and profits no tax may be payable, in order to draw attention to the concept of income tax and how to calculate profit after tax we have introduced a flat tax of 15% for illustrative purposes. This may be explained – if a question comes up as to when (after what level of profit) the income tax is payable.

Example 3

Material for preparing 2 ½ kgs of sweets:

- 3 kgs of milkRs.75
- 150 gms rice Rs.10
- 250 gms sugarRs.6
- 100 gms dry fruits..... Rs.24

Calculate the total cost of sweets on the basis of the expenditure given above, and also find out the gross profit per kg, if the sweets are sold at Rs. 40 per half kg.

Discussion on Example 3

- Total variable cost for 2.5 kg Sweets = (75+10+6+24) = Rs.115
- Unit of Sale = half kg (0.5 kg)

- Unit Cost = Rs.23/half kg
- Unit Price = Rs.40/half kg
- Gross Profit = Rs.17/half kg

Gross Profit

The gross profit is the total revenue (money received by selling) subtracted by the cost of items or service sold, that is, the cost for producing those goods or services for generating that revenue or sale(not their fixed cost such as rent, wages etc.). In other words, gross profit is sales minus cost of goods sold. (So, for example, in Suman’s business, Rs.100 per bed sheet is the cost of goods sold per unit.) It tells you how much money a business would have left to pay the fixed expenses such as salary, income taxes, office supplies, electricity, water, rent, etc. Therefore:

$$\text{Total Revenue} - \text{Cost of Goods Sold (COGS)} = \text{Gross Profit}$$

$$\text{Gross Profit per Unit} = \text{Sale Price per Unit} - \text{COGS per Unit.}$$

Cost of Goods Sold per Unit is the same as variable cost per Unit, which has been discussed in earlier sessions.

Break Even

A business’s break-even point is the amount or level of sales or revenues that it must generate in order for the gross profit to equal its fixed expenses for a specific period. In other words, it is the point at which the company neither makes a profit nor suffers a loss. Calculating the break-even point can provide a simple, yet powerful quantitative tool for entrepreneurs in setting targets for their businesses. In its simplest form, break-even analysis provides insight into whether or not the gross profit (revenue minus cost of goods sold) at a level of sales of a product or service has the ability to cover the related fixed costs. Entrepreneurs can use this information in making a wide range of business decisions, including setting prices, preparing competitive bids, and applying for loans. **It also helps in Profit Planning and Goal setting.**

At the Break Even Level,

$$\text{Total Revenue} = \text{Total Expenses (Both fixed and variable)}$$

Formula for calculating Break Even (BE) Level is:

$$\text{BE Volume or point (per Month)} = \frac{\text{Fixed Cost (per month)}}{\text{Gross Profit per Unit}}$$

Target Determination

With the help of the break-even point one can determine the number of units to be sold to achieve the desired level of profit. This number can be set up as the target to be achieved.

$$\text{Number of units to be sold (Target)} = \frac{\text{Monthly fixed expenses + Desired profit}}{\text{Gross Profit per Unit}}$$

Example: Radha started a business of manufacturing garments for children. She has taken a room on rent for Rs.400 per month and hired a sewing machine for Rs.100 per month. The materials required to make one garment are: Cloth for Rs.40 and button, chain, etc. for Rs.10. If Radha sells one garment for Rs.75 what will be the break-even point of her business? In other words, what should be the minimum number of garments she has to sell per month? And, if Radha wants to earn a profit of Rs.1,000 per month from the very first month onwards, how many garments should be sold?

Analysis

Selling price per unit =Rs.75

Variable cost per unit (40 + 10) = Rs.50

Gross profit per unit (75 –50) = Rs.25

Fixed monthly expenses (400 + 100) = Rs.500

$$\text{Break-even point} = \frac{\text{Fixed Monthly Expenses } 500}{\text{Gross profit per unit } 25} = 20 \text{ Units}$$

So, at least 20 garments are to be sold per month. And if Radha wants to earn a profit of Rs.1000 per month, then her monthly sales target will be:

$$\text{Target} = \frac{\text{Fixed expense + Desired profit}}{\text{Gross profit per unit}}$$

$$\begin{aligned} &= (500+1,000) / 25 \\ &= 1,500 / 25 \\ &= 60 \text{ Units} \end{aligned}$$

Radha's target will be to sell 60 garments per month to earn the desired profit. (For simplicity, in this example, we have not shown other fixed costs, such as wages for Radha herself, electricity charges etc.)

You can now move on to 4th example and bring out some more points, including Break Even Analysis. (Please explain to the students/trainees that we have intentionally chosen simple examples such as Radha's garment business and Ram's tea vending business and not more complex businesses, to be able to explain the financial concepts in simple terms. Once they have understood that they can apply those concepts to more complex businesses.)

Example 4

Ram, who was earlier working in a restaurant, has now decided to start a tea vending business. He was getting Rs.300 per day as his wages, while working in the restaurant.

Help Ram figure out what things he needs and how to know whether he is doing well or not.

Ram is thinking in terms of a mobile hand cart for his tea vending business, which he will take around to the various construction sites in the given locality and during day light only.

The first question to the participants is what all things he needs to buy and do before actually starting the tea vending activity.

Answers coming from the participants will include – vessels, cart, stove, milk, sugar, fuel, strainer, thermos flask, tea leaves, disposable paper cups (for 100 ml tea) etc.

Now, after some discussion and participant involvement, you may arrive at following figures:

- Vessels, cart, stove, strainer, thermos = Rs.12,000
- Buying initial supply of milk, sugar, cups, tea leaves = Rs.1,000

Ram had Rs.1,000 which he used for buying various consumable items. He borrowed Rs.12,000 from a friend and agreed to pay him Rs.4 per day as interest. (Approximately 12% per annum).

Next task is to find out the cost of producing tea.

You may start by suggesting the following:

One Liter Milk.....= Rs.30

Two Liters Water.....= Rs.2

Sugar (300 gms)= Rs.30

Tea leaves (100 gms).....= Rs.20

Fuel.....= Rs.2

Total= Rs.84

Next question to ask – how many cups of (100 ml qty – Unit of Sale) will Ram get out of this? Quite often the answer is 30 cups (3 liters of liquid/ 100 ml cup).

Remind the participants that there will be some evaporation while boiling water & milk, and there may be spillage etc. Agree on a number like 28 cups.

At this point reinforce that process waste, allowance for bad quality etc. has to be built into the calculation of Unit Cost.

So the Unit Cost is Rs.3 per Cup (= 84/28).

Ask if that is all, and someone will raise the issue of cost of cups. After some discussion agree on a cost of 50 paise per cup.

So the Unit Cost (variable cost) now moves up to Rs.3.50 per cup

Some discussion on pricing. Ram has surveyed the place and finds that all similar vendors are charging Rs.5 per cup. He also decides to sell his tea at Rs.5 per cup.

The Gross Profit or Margin per cup is Rs.1.50 (= 5.00- 3.50)

Now about Fixed Costs: Ram employs a helper on a daily wage of Rs.99. He pays no rent, but pays Rs.10 per day of protection money to be able to do business in that area. He pays interest of Rs.4 per day. Also his own wages of Rs.300 per day.

Ram knows that he needs to recover the initial investment of Rs.12,000 over a period of time. He decides to do this over 5 years or 60 months. This translates to approximately Rs.7 per day. (At this point, you may have a discussion on depreciation and why we need to use it in costing etc. See the note below on Depreciation).

Total fixed costs per day for Ram are: (300+99+10+4+7) = Rs.420

Question to be asked is: How many cups should Ram sell in a day, before he can make any profit?

Quite often you may get the answer 280 cups and also the explanation that it is 420 (fixed cost) divided by Rs.1.50 (Gross Profit per cup). In case the answer does not come, explain the concept of Break Even Analysis (from the note above)

You can now discuss what the Income Statement or Profit and Loss Statement will look like based on the quantity sold. Please see the following Table.

**Ram's Tea Vending Business
Income Statement**

		Day 1	Day 2	Day 3	Day 4
Number of Cups Sold		200	280	500	1,000
Sales Revenue @5Rs/cup	A	1,000	1,400	2,500	5,000
Cost of Goods Sold (Variable Cost) @Rs.3.5/cup	B	700	980	1,750	3,500
Gross Margin	C=A-B	300	420	750	1,500
Fixed Expenses					
Helper Wages		99	99	99	99
Own Wages		300	300	300	300
Interest		4	4	4	4
Rent (Protection Money)		10	10	10	10
Depreciation		7	7	7	7
Total Fixed Expenses	D	420	420	420	420
Profit/(Loss) before tax	E= C-D	(120)	0	330	1,080
Taxes @ 15 %	F	0	0	49.5	162
Profit After Tax	G=F-E	(120)	0	280.5	918

NOTE

Though at this level of sales and profits no tax may be payable, in order to bring in the concept of income tax and how to calculate profit after tax, we have introduced a flat tax of 15% for illustrative purposes. This may be explained – if a question comes up as to when (after what level of profit) the income tax is payable.

DEPRECIATION

The following brief write up on Depreciation will help you in discussions of this concept. (This section should be omitted while discussing this lesson when training Level 1 participants.)

Depreciation is the term used to refer to the decreasing value of a capital item over time. A capital item is one that has a life of at least one year. Buildings, machinery, equipment, furniture, fixtures, computers, cars, and trucks are examples of capital items or capital assets that will last for more than one year. However they will not last forever and would need to be replaced at some time.

There are capital items that decrease in value as they get older because, though they can still be used, they become obsolete. Think of any computer from three years ago. While you can still use the computer, it will not give you the same ease and breadth of computation as a newer one.

The Tax department realizes that capital items must be replaced and businesses should set aside money each year so that they have money to buy the replacement when needed. They have created a chart giving the usable life of different capital items. Obviously, buildings have much longer life than, say, cars.

So, if the tax department has determined that a car needs to be replaced in three years, it will allow the company to “expense” or “depreciate” one third of the car costs each year.

For example, if a car is bought by a company (for company use) for Rs.6 Lakhs, and assuming the Tax Department table says that a car has a three year life, each year, you can depreciate the car by one third or Rs.2 lakhs per year. This “expense” or depreciation of Rs.2 lakhs can be shown as expense in your Income statement, even though you don’t actually pay anyone Rs.2 lakhs cash for the car each year. Since no cash goes out and you still show it as an expense in your income statement, it is called a “NON CASH EXPENSE”. Thus, depreciation is a non-cash expense.

The value of a capital asset is thus expensed (written off) over the useful life of the asset. Different items have different life: Building (20 years), Car (3 years), Land (not depreciated), Machinery (5 to 10 years) etc. **For the sake of simplicity, we recommend using 5 years or 60 months as the period to calculate the depreciation of capital assets in our discussions and sessions.**

This ends Session 1 of Income Statement & Break Even Analysis.

Homework for Participants

The case study of Savita Saree Shop is included with this lesson. It can be used to reinforce. Types of Costs, Income Statement as well as Cash Flow Projections (next session).

Please hand over the case study paper as well as two blank forms – Income Statement and Cash Flow Projections. Ask the participants to attempt both and be ready for discussions the following day.

Next day, first review the Income Statement of Savita and clarify any doubts participants have. In a subsequent session, review the Cash Flow Projections (see next session plan).

At the end of each session, you may hand over the filled forms to the participants for their use and records.

Review and Discussion of Savita Income Statement

This review and discussion session will be on the next day morning. Use this session to clarify many of the concepts already covered – Start Up Costs, Unit of Sale, Unit Cost and Unit Price etc.

First, ask how many have attempted the solution. Normally you get only a handful of people raising their hands.

Now, start going through the Savita case and identify the following – with the participation and involvement of the participants:

- Start Up Cost: Rs.90,000 spent on interiors and Rs.10,800 for purchases (10,800= 9,000 for sarees+900 for packing+900 for freight) before the shop opening.
- Source of Funds: Rs.20,000 own capital+Rs.100,000 loan
- Unit of Sale: One Saree
- Unit Cost: Saree Rs.125 + Packing Rs.12.5 + Freight Rs.12.5 +Commission Rs.25 (10% of Sale price)=Rs.175 per Saree
- Unit Price: Rs.250 per Saree
- Gross Profit:Rs.75 per Saree
- Fixed Cost per month : Rs.9,000 (Salary 3,000 +Rent 1,500 + Utilities 500 + interest 1,000 + Phone 500 + Office Expenses 1,000 + Depreciation 1,500)
- Go over the Depreciation portion again and explain how it is calculated (Rs.90,000 divided by 60 months).

With this basic information extracted from the case, now ask each team to work on a particular month's income statement.

Once all teams have completed their task, show the completed form on the screen and compare results from each team. Clarify any issues and rectify any mistakes made by the teams.

Note

It is important to emphasize that in computing profit, cost of all resources used must be included. In this case, rent for premises and owner's salary are good examples.

Optional Reading

- <http://www.investopedia.com/articles/04/022504.asp#axzz2630EeQdS>
- <http://www.accountingcoach.com/online-accounting-course/11Xpg01.html>
- <http://www.accountingcoach.com/online-accounting-course/01Xpg03.html>
- <http://www.enotes.com/break-even-point-reference/break-even-point>



IMAGE COURTESY OF STUART MILES / FREEDIGITALPHOTOS.NET

20. Savita Saree Shop

Savita conducted a survey in her neighborhood and was convinced that there was an opportunity to start a Saree Shop.

She plans to bring sarees from Surat and sell it to her clients.

She has decided on the types of sarees that could sell for Rs.250 per piece. She will be able to get these sarees at Rs.125 per piece. She wants to give nice packing for these sarees and it will cost her Rs.12.50 per saree for the packing material.

She wants to employ two sales girls (shop sale as well as door to door and office sale) at a salary of Rs.1,000 each per month. She will also be working in the business and take a salary of Rs.1,000 per month. The sales girls will earn commission @ 10% on sales. The freight for sarees from Surat works out to Rs.12.50 per saree.

The front portion of her house, which was rented at Rs.1,500 per month is now vacant. She will set this up with proper lighting, painting etc. She also wants to put proper seating, cupboards and showcases to exhibit her products.

The cost of all the furniture, painting, lighting etc. is Rs.90,000 (Quotations from vendors). She has a savings of Rs.20,000, which she will invest in this business. Besides, she has convinced her bankers about the profitability of the business and has been assured a loan of Rs.100,000 @ 12% interest per annum. For the first 12 months, only interest will be payable. Repayment of the principal amount will start thereafter.

The supplier from Surat sends the goods once a month. Savita has to forecast her sale for the following month and buy the goods by paying cash.

Savita knows very well that cash is the lifeblood of her business and hence plans to be very cautious about credit sales.

She estimates an average monthly utility bill of Rs.500, phone bill of Rs.500 and various other office expenses (including publicity) of around Rs.1,000 per month.

Cash is the lifeblood of a business and hence one should be very cautious about credit sales.

The Projected Sales for six months are as follows:

Month	1	2	3	4	5	6	7
Total Sarees sold (Qty)	72	84	100	120	152	192	192
Cash Sale Qty	60	68	80	100	128	160	160
Credit Sale Qty	12	16	20	20	24	32	32
Cash Sale Rupees	15,000	17,000	20,000	25,000	32,000	40,000	
Credit Sale Rupees	3,000	4,000	5,000	5,000	6,000	8,000	

The money from Credit Sales comes in the following month.

Savita Saree Shop		Income Statement						
(All figures in Rupees)		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Total
Sales Revenue:								
Cash								
Credit								
Total Sales Revenue	A							
Cost of Goods (COG):								
Raw Material								
Packing Material								
Sales Commission								
Freight								
Total COG (Variable Cost)	B							
Gross Profit	C=A-B							
Fixed Expenses:								
Salary								
Rent								
Utilities								
Interest								
Phone								
Office Exp								
Depreciation								
Total Fixed Expenses	D							
Profit/(Loss)	E=C-D							
Cumulative Profit/(Loss)								

Savita Saree Shop		Projected Cash Flow						
(All figures in Rs)		Mth 0	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6
Opening Balance	X							
CASH INFLOW								
Owners Equity								
Loan from Friends								
Bank Loan								
Cash Sale Receipt								
Credit Sale Receipt								
Total Inflow	Y							
CASH OUTFLOW								
Start Up Exp								
Assets (Tangible & Intangible)								
Working Capital								
Raw Material								
Packing Material								
Sales Commission (Credit sales)								
Sales Commission (Cash sales)								
Freight								
Salary:								
Savita salary								
Cash Sales Girl Salary								
Credit sales Girl Salary								
Rent								
Utilities								
Interest								
Phone								
Office Exp								
Loan Repayment								
Total Outflow	Z							
Surplus/(Deficit) for the month	=Y-Z							
Closing Balance	= X+Y-Z							

Savita Saree Shop		Income Statement							
		(All figures in Rupees)							
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	6 Months Total	Percentage
Sales Revenue									
Cash		15,000	17,000	20,000	25,000	32,000	40,000	149,000	
Credit		3,000	4,000	5,000	5,000	6,000	8,000	31,000	
Total Sales	A	18,000	21,000	25,000	30,000	38,000	48,000	180,000	100%
Cost of Goods Sold									
Raw Material		9,000	10,500	12,500	15,000	19,000	24,000	90,000	
Packing Material		900	1,050	1,250	1,500	1,900	2,400	9,000	
Sales Commission		1,800	2,100	2,500	3,000	3,800	4,800	18,000	
Freight		900	1,050	1,250	1,500	1,900	2,400	9,000	
Total COG (Variable Cost)	B	12,600	14,700	17,500	21,000	26,600	33,600	126,000	70.00%
Gross Profit	C=A-B	5,400	6,300	7,500	9,000	11,400	14,400	54,000	30.00%
Fixed Expenses									
Salary		3,000	3,000	3,000	3,000	3,000	3,000	18,000	
Rent		1,500	1,500	1,500	1,500	1,500	1,500	9,000	
Utilities		500	500	500	500	500	500	3,000	
Interest		1,000	1,000	1,000	1,000	1,000	1,000	6,000	
Phone		500	500	500	500	500	500	3,000	
Office Exp		1,000	1,000	1,000	1,000	1,000	1,000	6,000	
								-	
Depreciation		1,500	1,500	1,500	1,500	1,500	1,500	9,000	
Total Fixed Expenses	D	9,000	9,000	9,000	9,000	9,000	9,000	54,000	30.00%
Profit/(Loss)	E=C-D	(3,600)	(2,700)	(1,500)	-	2,400	5,400	-	0.00%
Cumulative Profit/(Loss)		(3,600)	(6,300)	(7,800)	(7,800)	(5,400)	-	-	

Savita Saree Shop		Projected Cash Flow						
		Mth 0	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6
Opening Balance	X	0	19,200	12,300	7,700	3,700	400	(2,700)
CASH INFLOW								
Owners Equity		20,000						
Loan from Friends								
Bank Loan		100,000						
Cash Sale Receipt			15,000	17,000	20,000	25,000	32,000	40,000
Credit Sale Receipt				3,000	4,000	5,000	5,000	6,000
Total Inflow	Y	120,000	15,000	20,000	24,000	30,000	37,000	46,000
CASH OUTFLOW								
Start Up Exp								
Assets (Tangible & Intangible)		90,000						
Working Capital								
Raw Material		9,000	10,500	12,500	15,000	15,000	24,000	24,000
Packing Material		900	1,050	1,250	1,500	1,900	2,400	2,400
Sales Commission (Credit sales)			500	400	500	500	600	800
Sales Commission (Cash sales)			1,500	1,700	2,000	2,500	3,200	4,000
Freight		900	1,050	1,250	1,500	1,900	2,400	2,400
Salary								
Savita salary			1,000	1,000	1,000	1,000	1,000	1,000
Cash Sales Grl Salary			1,000	1,000	1,000	1,000	1,000	1,000
Credit sales Grl Salary			1,000	1,000	1,000	1,000	1,000	1,000
Rent			1,500	1,500	1,500	1,500	1,500	1,500
Utilities			500	500	500	500	500	500
Interest			1,000	1,000	1,000	1,000	1,000	1,000
Phone			500	500	500	500	500	500
Office Exp			1,000	1,000	1,000	1,000	1,000	1,000
Loan Repayment								
Total Outflow	Z	100,800	21,800	24,600	26,000	33,300	40,100	41,100
Surplus(Deficit)	=Y-Z	19,200	(5,900)	(4,600)	(4,000)	(3,300)	(3,100)	4,900
Closing Balance	= X+Y-Z	19,200	12,300	7,700	3,700	400	(2,700)	2,200

Month	1	2	3	4	5	6	7
Total Sarees sold (Qty)	72	84	100	120	152	192	192
Cash Sale Qty	60	68	80	100	128	160	160
Credit Sale Qty	12	16	20	20	24	32	32
Cash Sale Rupees	15,000	17,000	20,000	25,000	32,000	40,000	
Credit Sale Rupees	3,000	4,000	5,000	5,000	6,000	8,000	

Sale Price	250
Variable Cost	
Saree	125.8
packing	12.5
Commission	35.8
Freight	12.5
Total Var	175
Gross Profit	75

21. Cash Flow Projections

[In God we trust; all others pay cash.
–Sign board at a shop]

Learning Objectives

- ✓ Understand What Cash Flow Projection is.
- ✓ Learn how to prepare Cash Flow Projection.
- ✓ Understand the importance of Cash Flow Projections in running a business, successfully.



IMAGE COURTESY OF DIGITALART / FREE DIGITAL PHOTOS.NET

Session Plan

Activity..... 20 minutes
Discussion.....: 7 minutes
Conclusion.....: 3 minutes

Materials Needed

- Savita Saree Shop case study

Activity

Note to Facilitator

The Savita Saree Shop case study has two sections – Income Statement and Cash Flow Projections.

This lesson assumes you have already given the case study to the participants and have discussed the Income Statement in a previous session. Now it is time to discuss the Cash Flow Projections.

- Verify how many participants have completed the Cash Flow Projections. Usually, only a handful of participants will have done so.
- You can now lead the class in calculating the inflows and outflows, a month at a time.

- In fact, making each team work on a month (six teams and six months), after you have gone through and explained month zero works very well.
- Once the teams have completed the task in class, you can make each team provide the input and you can write it on the board or put it in the spreadsheet to display on the screen.
- Some of the issues to be emphasized are:
 - Money from Credit Sale comes later (in this case, the following month)
 - Variable Costs (Saree Packing Material and Freight) are spent in the month previous to the sales.
 - Sales commission is paid in the month of the sale. Also highlight that commission is paid on both cash and credit sales (as the decision to give credit is that of Savita and not the sales girls).
 - Depreciation is not a cash outflow. We do not pay this amount to anyone. In fact, it can be explained as “all the money for start-up has been already paid in month zero”.
- After the completion of the activity, distribute the filled in Cash Flow Projections to the participants. (You would have already distributed the filled form for Income Statement at the end of an earlier session)

Discussion

Using the filled Income Statement and Cash Flow Projections, bring up the following points for discussion:

- Why is there a shortage of cash when the business is making profits (month 5)? (Reasons – buying in advance and building inventory and sale on credit)
- What actions can Savita take to handle the projected cash deficit (negative cash) in the 5th month? (Possible actions – faster collection, requesting credit from saree supplier, postponing her own salary and/or rent, requesting short term loans from friends etc.).
- Break Even level of sales is reached in the 4th month (120 sarees per month). The business breaks even in 6 months

Depreciation is not a cash outflow. We do not pay this amount to anyone.

(total sale in 6 months is 720 sarees, i.e., an average of 120 sarees per month). Thus the **Break Even Level is reached in the 4th month; but the business breaks even in 6 months.** Let us discuss why:

- Break Even (BE) is denoted in terms of level of sales. In this particular example, it is 120 sarees per month. So in the 4th month, the level of sales reaches 120 sarees per month.
- However, prior to this month, the sales has been less than the BE level and hence Savita has been making losses. For her to make no-loss no-profit in the business, she should aggregate sales that give an average of 120 per month. In this case, she reaches a sales volume of 720 sarees in six months, giving an average of 120 per month.
- Thus, the BE level is reached in the 4th month but business reaches a no-profit no-loss situation (cumulative) in six months.

Break-even is denoted in terms of level of sales.

Conclusion

- ✓ Cash is the lifeblood of every business. It is the most important asset for the operations of a business. **Cash flow refers to the movement of money in and out of a business during a specific period of time.** It is a record of a company's inflows and outflows. Cash inflow is defined as the movement of money into a business and cash outflow is defined as the movement of money out of a business (remember the exercise where you identified various ways in which money comes into and goes out of a business).
- ✓ The **Cash Flow Projection** shows how cash is expected to flow in and out of your business. For you, it's an important tool for cash flow management, letting you know when your expenditures are too high or when you might want to arrange short term investments to deal with a cash flow surplus. As part of your business plan, a Cash Flow Projection will give you a much better idea of how much capital investment your business idea needs.
- ✓ Do not confuse a **Cash Flow Projection** with a **Cash Flow Statement**. The Cash Flow Statement shows how cash has flowed in and out of your business. In other words, it describes the actual cash flow that has occurred in the past. The Cash Flow Projection shows the estimates or the cash that is anticipated to be generated or expended over a chosen period of time in the future.
- ✓ It would be a good idea to encourage participants/entrepreneurs to develop the habit of doing weekly cash flow projections for their business.

- ✓ A healthy cash flow management is indispensable for a successful business.

Alternate Activity

- An interactive role play/game has been designed to make participants understand the method of cash flow projections and its importance.
- Use this where appropriate.
- Instructions on how to play the game are as follows:

.....

Cash Flow through Role Play Using the Savita Saree Case Study

Instructions:

1. For this role play, we need the following eleven characters:
 - a) Bank Manager
 - b) Savita
 - c) Contractor
 - d) Sales Girl (Cash Sales)
 - e) Sales Girl (Credit Sales)
 - f) Saree Supplier
 - g) Packing Material Supplier
 - h) Truck Owner
 - i) Person for collecting utilities, interest, phone and office expenses.
(Bill Collector)
 - j) Credit Customer
 - k) Cash Customer

Tip: You can prepare paper headbands for each role for easy identification.

2. All participants have the Savita Saree story. Each should read and understand it. The people playing the roles are to be given the “script” and **make believe** currency as indicated below.
3. We need currency – Plastic tokens (with denominations written), or printed make believe currency (laminated for re use).
4. Total requirement Rs.292, 000/- made up of: 17 x Rs.10,000, 100 x Rs.1,000, 30 x Rs.500, 48 x Rs.100/- and 44 x Rs.50 (distributed as follows):

Denomination	Qty	Bank Manager	Savita	Cash Customer	Credit Customer	TOTAL
Rs.10,000/-	17	10	1	6		
Rs.1,000/-	100		7	70	23	
Rs.500/-	30		5	25		
Rs. 100/-	48		3	45		
Rs.50/-	44		4	40		
	239	100 K	20 K	149 K	23 K	292 K

K = thousand

Ensure that all participants (including those playing the roles) have the blank Cash Flow Projections sheets. They should make the entries after each scene in the role play and do a tally at the end of each month.

Have a “Business Cash Box” and “Personal Cash Box” for Savita. Also you may have *make believe* bags and cartons etc.

Month 0

Scene 1: Savita monologue

Now, before I go to the bank manager, let me put my savings into my business. (She then takes the Rs.20,000/- from her Personal Cash Box and puts it in the “Business Cash Box”.)

Scene 2: Savita at the Bank

Savita : Good morning, Sir. How are you doing?

Bank Manager : Good morning, Savitaji. I am doing fine, thank you. I am glad you came. I have good news for you. Your loan has been approved. Please sign these papers.

Savita : Thank you. Let me sign them.

Bank Manager : Here is your Rs.100,000. Your loan repayment will begin from the next year. This year, you will pay interest @ only 12% per annum which will amount to Rs.1,000 per month.

Savita : Sure, Sir. Thank you. Bye.

Bank Manager : Bye!

(Savita counts the money and puts the money in the “Business Cash Box”.)

Scene 3: Savita meeting the Contractor

Contractor..... : Good morning Savitaji. I have renovated your room as agreed. You can have a look.

Savita : Ok. That’s nice. I believe we agreed on a price of Rs.90,000. Here is the money. (She pays Rs.90,000 out of her Business Cash Box.)

Contractor..... : Thank you, Savitaji.

Scene 4: Saree Supplier and Savita

Saree Supplier : Good afternoon, Savitaji!
Savita : Good afternoon to you too.
Saree Supplier : As ordered by you, I have brought 72 sarees and the invoice value is Rs.9,000. Here is my invoice.
Savita : Thank you. Here is the money.
(Hands over Rs.9,000 from the Business Cash Box.)
Saree Supplier : Thank you!

Scene 5: Truck Owner and Savita

Truck Owner... : I have delivered the 72 sarees at your shop and the freight bill as agreed is Rs.900.
Savita : Ok. Here is Rs.900.
(Takes out Rs.900 from the Business Cash Box and hands it over.)
Truck Owner... : Thank you, Savitaji.

Scene 6: Savita and Packing Material Supplier (PM Supplier)

PM Supplier.... : Good morning, Savitaji. I have delivered your packing material for 72 sarees. My invoice is for Rs.900.
Savita : Good morning and thank you. Here is your money.
(She hands out Rs.900 from the Business Cash Box.)

Scene 7: Savita monologue

Savita : Let me see what my cash position is for the next month.
(After tallying and checking the cash box, she declares that she has Rs.19,200 for the start of next month.)

Note to Facilitator

Before proceeding further make sure that all participants have got this figure in their sheets and if someone has missed it, cross-check and clarify. Please keep a note of the number of people who got it right. (This number is to be tracked at the end of each month).

Month 1

Scene 1: Cash Customer buying sarees from Sales Girl (Cash Sales)

Sales Girl : A very good morning to you, Ma'am!
Cash Customer: Good morning! I want to buy 60 sarees. How much will this cost?
Sales Girl : Well, the cost for 60 sarees will be Rs.15,000.
Cash Customer: Ok, I will buy them. Here is the amount.
(Sales Girl puts the Rs.15,000 in to a box named "Business Cash Box".)

Scene 2: Credit Customer buying from Sales Girl (Credit Sales)

Credit Customer. : Good afternoon!
Sales Girl : Good afternoon, Ma'am!
Credit Customer. : As discussed before, I will buy sarees but on credit. As of now, I want to purchase 12 sarees and pay for it next month. How much will it cost for 12 sarees?
Sales Girl : Absolutely, not an issue. You are our valued old customer. It will cost Rs 3,000/-. So the amount you will have to pay next month is Rs 3,000/-.
(Hands over the sarees.)
Credit Customer. : Sure. Thank you!
(Walks away with the sarees.)

Facilitator: "We have brought in credit sales to show you how to show it on your cash flow statement. However, in real business, we discourage credit sales."

Scene 3: Saree supplier meets Savita

Savita : Good morning!
Saree Supplier : A very good morning! As ordered by you, I have brought 84 sarees and the invoice value is Rs.10,500.
Savita : Thank you. Here is the money.
(Hands over Rs.10,500 from the Business Cash Box.)
Saree Supplier : Thank you!

Scene 4: Savita & Packing Material Supplier (PM Supplier)

Savita : Good evening!
PM Supplier ... : Good evening, Savitaji! I have delivered your packing material for 84 sarees. My invoice is for Rs.1,050.
Savita : Here is your money.
(She hands out Rs.1,050 from the Business Cash Box.)

Scene 5: Savita and Sales Girl (Cash Sales)

Sales Girl : Good morning Ma'am!
Savita : Good morning to you too! So how many sarees did you sell to the cash customer?
Sales Girl : This month I have sold 60 sarees on cash basis.
Savita : So you earn a commission of Rs.1,500 @ Rs.25 per saree. Here is your salary of Rs.1,000 and your commission of Rs.1,500.
(She hands out Rs.2,500 from the Business Cash Box.)

Scene 6: Savita and Sales Girl (Credit Sales)

Sales Girl : Good morning, Ma'am!
Savita : Good morning to you too! So how many sarees did you sell on credit?
Sales Girl : I have sold 12 sarees on credit.
Savita : So you earn a commission of Rs.300. Here is your salary of Rs.1,000 and your commission of Rs.300.
(She hands out Rs.1,300 from the Business Cash Box.)

Scene 7: Truck Owner & Savita

Truck Owner... : I have delivered the 84 sarees at your shop and the freight bill as agreed is Rs.1,050.

Savita : Ok. Here is Rs.1,050.
(Takes out Rs.1,050 from the Business Cash Box and hands it over.)

Truck Owner... : Thank you, Ma'am!

Scene 8: Savita monologue

Savita : Ok! So I am keeping Rs.1,000 as my salary and Rs.1,500/ as the rent.
(Savita puts this sum of Rs.2,500 into a box named "Personal Cash Box".)

Scene 9: Bill Collector meets Savita

Bill Collector ... : Good afternoon, Savitaji! As per our understanding, I would be coming to your shop every month to collect the bills.

Savita : Ok, that makes my job very easy. The following is the break up:

Utilities – Rs.500
Interest – Rs.1,000
Phone – Rs.500
Office Expenses – Rs.1,000

So the total amount is Rs.3,000.

(Takes out Rs.3,000/- from the Business Cash Box and hands it over.)

Bill Collector ... : Thanks, Savitaji!

Scene 10: Savita monologue

Savita : What is my cash position for the next month?
(After tallying and checking the cash box, she declares that she has Rs.12,300/ for the start of next month.)

Notes:

1. You will have the filled sheet (on your laptop) and will show the figures of months 0 and 1 – at this time.
2. This process of enacting for each month and tallying cash at the end will continue for months 2,3,4,5 & 6.
3. At the end of 4th month, please introduce a new character – "Anju", Savita's daughter. She comes to her mother for her college fees –Rs.10,000 After a brief dialogue, Savita takes out Rs.10,000 from her "Personal Cash Box" and hands it over to Anju.
4. During the 5th month, Savita reaches a point when there is not enough money to pay different people. So what happens now?

We should now “re-wind” the tape and get back to the position all were at the end of month four. (The people who received the money during the fifth month should return the same.)

Allow about 5 minutes for the class to think as Savita the entrepreneur and to look at possible ways to handle month 5 onwards. They could come up with ideas.

Better still, take the attendees who have NOT role played, and divide them into two groups using the traditional 1- 2 method. One group would be playing the role of Savita and the other as the Mentors. Any “Savita” can raise his/her hand and come up with an idea and any mentor can raise his/her hand to give the Mentor’s response—which could be positive or not. But, especially if the Mentor doesn’t agree, he or she should say why and suggest an alternative, if possible.

Optional Reading

- http://business.gov.in/manage_business/cash_flows.php
- http://sbinfocanada.about.com/cs/businessplans/a/bizplanfinanc_3.htm
- <http://www.score.org/resources/12-month-cash-flow-projection>
- <http://www.tgci.com/magazine/How%20to%20Make%20Cash%20Flow%20Projections.pdf>
- <http://www.enotes.com/cash-flow-analysis-statement-reference/cash-flow-analysis-statement>

22. Business Plan: Why & How

If you know not, where to go, no road will take you there.

–Anonymous

Learning Objective

- ✓ Understand the need for a Business Plan.
- ✓ Learn about the components of a good Business Plan.
- ✓ Learn how to prepare a good Business Plan.

Session Plan

This session is applicable to all four levels of AEW and CMS. Recommended time allocation is as follows:

Discussion..... 25 minutes
Conclusion.....: 5 minutes

Materials Needed

- Two-page format handout of the Business Plan.



IMAGE COURTESY OF BPLANET / FREEDIGITALPHOTOS.NET

Instructions to the Facilitator

As you know, one of the unique features of our training methodology is making the participants prepare a business plan. This is where all they have learned comes together like a jigsaw puzzle. It is where all the knowledge gained during the sessions gets applied in a practical way.

Business plan preparation is a group activity. This is where the group is able to learn from each other and fill in each other's deficiencies.

Prior to this session, please make sure that all the participants are divided into teams of 4 to 6 participants each.

In the team formation, the objective is to try and form teams that are of similar 'overall' capability levels. Please make sure to keep the following in mind:

- Know the participants: Depending on the homogeneity or heterogeneity of the participants, list them with names, their villages, organization, institution, technical skill group etc. and their individual 'overall' level of competence.
- If necessary or possible, consider grouping people according to their technical skills and interests. This will enable them to select projects of common interests.
- If language is a barrier for one or more participants, try and group them in teams where they can communicate better.
- If the participants include several with a background in Commerce or Finance, Marketing, Creative Arts, etc. try to spread them equally across all teams.
- Emphasize that this is going to be a team effort. No one is superior or inferior. Points will be added when at the presentation, we are able to see that it was a team effort.
- Do not give any indication that a particular participant will be 'the leader' of a team. The leader, if any, should emerge through group processes.

Discussion

Start the discussion by posing the following questions:

- What is a business plan?
- What is planning?

Generally, you get answers that are fairly descriptive:

- Plan – blueprint, action, schedule etc.

- Planning – Analyzing, synthesizing, preparing the plan etc.

You can now sum up and state that:

A **Plan** is a blueprint for goal achievement that details the necessary resources required, schedules to be achieved, tasks to be completed, and other actions. A Plan is a document.

Planning means determining the organization's goals and defining the means for achieving them. Planning allows entrepreneurs the opportunity to adjust to the environment instead of merely reacting to it. Planning increases the possibility of survival in business by actively anticipating and managing the risks that may occur in the future. In other words, it is a process of analyzing various aspects of the business to determine a particular course of action and how it is to be achieved.

In short, planning is preparing for tomorrow, today; and a plan is the document that codifies the final course of action.

Unfortunately, many people think of business plans only for starting a new business or applying for business loans. But they are also vital for running a business, whether or not the business needs new loans or new investments.

Businesses need plans to optimize growth and development according to priorities.

Planning is preparing for tomorrow, today; and a plan is the document that codifies the final course of action.

There are several textbook examples of business plans which are really not needed for micro businesses that our target participants are likely to start.

While the format of a business plan (or project report, as it is called at places) may be more elaborate for a bank loan, the essentials are not much different from the simple two-page

plan out line below.

Two-Page Business Plan Format

Here is a simplified 2-page format. Please make copies of the two pages and make sure that each participant gets a copy of the same, not just one copy per group.

Go over each item to explain what is required under each item of the two pages and relate it to the topics covered in the class, and encourage the participants to start working on sections of the plan.

Note: *In the workshops, each team will be presenting the team Business Plan. However, for the CMS program leading to competition, the presentation of the Business Plan is by an individual.*

Business Plan Competition

- On the final day of the workshop, a Biz Plan competition will be held. There will be external judges to evaluate four major criteria: Presentation, Implement ability, Financial Calculations and Marketing Plan – with equal weightage for each.
- The teams are to be instructed on the following:
 - All teams have to present their Business Plan in the Biz Plan Competition.
 - Each team gets only 10 minutes for the presentation.
 - Based on the aptitude of the members, they can make presentation using either PPT, Charts, in the form of skits or street plays etc. Total time is only 10 minutes.
 - Emphasize that all the participants must participate in the preparation and presentation of the plan.
 - Emphasize the importance of keeping the presentation to 10 minutes per group. Ask them to rehearse so that they keep within the time given.
 - Tell the participants that during the competition, the time keeper will give a cue at the end of seven minutes (by holding up a placard with “3” written on it—meaning three minutes left).

Business Plan Evaluation

It is important to brief the panel of judges on our expectations at the Biz Plan Evaluation.

- A standardized format of evaluation/grading has been developed, with evaluation criteria listed and weightage indicated (attached).
- Make notes about the presentation so that you are able to go back and ask questions during the Q&A sessions.
- It is very crucial to assess whether the participants have understood the various concepts very clearly.
- While commenting, please mention the good points (or what you liked) first. Then go on to highlighting the areas where improvements could have been made. Remember, many of the participants may be making a presentation in front of an audience

for the first time in their lives and need encouragement and support so they build confidence and not get discouraged on their maiden attempt.

- Only the judges are permitted to ask questions, no one else. Please advise the judges not to belabor a point too much.
- Keep the Q&A session to about five minutes per presentation.

Conclusion

What is most important in a plan?

- It can be the strangest or the most commonplace idea, ultimately what counts is how convincing the plan is in terms of its viability.
- Implementation details are what make things happen. Your brilliant strategies and beautifully formatted planning documents are just theory unless you assign responsibilities, with dates and budgets, follow up with those responsible, and track results. Business plans are really about getting results and improving your company.

For Further Reading

Web Links

- Business Plan: http://inventors.about.com/od/businessplans/a/business_plan.htm
- What Makes a Good Plan: <http://articles.bplans.com/writing-a-business-plan/what-makes-a-good-plan/37>
- Ten Things Every Good Business Plan Must Have: http://www.forbes.com/2007/05/09/palo-alto-software-ent-manage-cx_mc_0509businessplan.html



Aspiring Entrepreneurs Workshop (AEW)

OUTLINE FOR THE TEN MINUTE BUSINESS PLAN PRESENTATION & BASIC BUSINESS PLAN

Name of the Team: _____

Name of Team Members: _____

GUIDELINES FOR ITEMS TO BE COVERED IN THE BUSINESS PLAN

(You may adjust the spacing for your answers.)

- 1) Your business idea: (Describe the Main Product or Service)
- 2) Name of your business, its logo and tagline.
- 3) Are there similar products or services in the market?
- 4) What is your competitive advantage & your USP (Unique Selling Proposition)?
- 5) Your Marketing Plan:
 - a) How did you conduct your market research? (Talk about your competitor, demand for your product/service—is it there or do you think you can create it? Your customer profile, demographics, purchasing power etc.)
 - b) Who are your target customers and how will you reach them?
 - c) Your advertising and promotion ideas.
 - d) Packaging (if applicable).
 - e) Distribution (How do you intend reaching your customers?)
 - f) What does quality mean for your product or service?
- 6) What are the likely risk factors in your business and how do you plan to mitigate them?

- 7) What are your Unit of Sale and the Cost of a Unit of your product or service? Show the computation or explain the logic.
- 8) What is your selling price and your reason for it?
- 9) Give details of your startup costs.
- 10) How would you meet your startup costs? (Be realistic.)
- 11) Show your projected Cash Flow for the first 12 months from the start of business. Include the cash flow prior to the start of the business and state your assumptions. Use **Format A** (attached)
- 12) Let's say it is now a year since you started your business. Give us one month's Profit and Loss statement for **the first month of the second year**. You might have to do a 12-month projection in **Format B** (attached). In the PPT, you may show only the 13th month.
- 13) What is the break-even point of your business? Show the computation.

Note to the Facilitator

For AEW Levels 1 to 3, you may do away with Format A and they need not prepare the initial 12 months of Format B. Do only the 13th month.



Change the Mind Set (CMS) Program

OUTLINE FOR THE TEN MINUTE BUSINESS PLAN PRESENTATION & BASIC BUSINESS PLAN

Name of the Student: _____

Date of Birth: (DD/MM/YYYY): _____

Name and address of the institution: _____

GUIDELINES FOR ITEMS TO BE COVERED IN THE BUSINESS PLAN

(You may adjust the spacing for your answers.)

- 1) Your business idea: (Describe the Main Product or Service)
- 2) Name of your business, its logo and tagline.
- 3) Are there similar products or services in the market?
- 4) What is your competitive advantage & your USP (Unique Selling Proposition)?
- 5) Your Marketing Plan:
 - a) How did you conduct your market research? (Talk about your competitor, demand for your product/service—is it there or do you think you can create it? Your customer profile, demographics, purchasing power etc.)
 - b) Who are your target customers and how will you reach them?
 - c) Your advertising and promotion ideas.
 - d) Packaging (if applicable).
 - e) Distribution (How do you intend reaching your customers?)
 - f) What does quality mean for your product or service?
- 6) What are the likely risk factors in your business and how do you plan to mitigate them?

- 7) What are your Unit of Sale and the Cost of a Unit of your product or service? Show the computation or explain the logic.
- 8) What is your selling price and your reason for it?
- 9) Give details of your startup costs here.
- 10) How would you meet your startup costs? (Be realistic.)
- 11) Show your projected Cash Flow for the first 12 months from the start of business. Include the flow prior to the business startup and state your assumptions. Use **Format A** (attached)
- 12) Let's say it is now a year since you started your business. Give us one month's Profit and Loss statement for **the first month of the second year**. You might have to do a 12-month projection in **Format B** (attached). In the PPT, you may show only the 13th month.
- 13) What is the break-even point of your business? Show the computation.

Important Notes about the Plan & PPT:

- a) Your Plan document should not exceed two pages, excluding Cash Flow and P&L.
- b) Your Plan may contain a third page (cover) with name, institution name, date of birth (certified by the administration) etc.
- c) For participation in NBPC, the plan and PPT must be submitted by the stipulated date.
- d) Time for presentation is only 10 minutes.

Name:		Cash Flow Projections												Format A	
Business Idea		Prior to Month 1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
A	Opening Balance														
	Inflows														
	Own Capital														
	Loan from Bank														
	Loan from others														
	From Cash Sales														
	From Credit Sales														
	Other (specify)														
	Other (specify)														
	Other (specify)														
B	Total Inflow														
C=A+B	Total Opening Bal.+Inflow														
	Outflows														
	Asset Purchase														
	Machinery														
	Furniture & Fixtures														
	Other (Specify)														
	Other (Specify)														
	Other (Specify)														
	Pre-Operative Exp														
	Deposit if any														
	Other (Specify)														
	Other (Specify)														
	Working Capital														
	Raw Material														
	Packing Material														
	Other (Specify)														
	Other (Specify)														
	Other (Specify)														
	Fixed Expenses														
	Salary														
	Rent														
	Insurance														
	Office Expenses														
	Other (Specify)														
	Other (Specify)														
	Other (Specify)														
D	Total Outflow														
E	Closing Balance =(C-D)														

Name:		Profit & Loss Statement												Format B	
Business Idea		Rate /Unit where applicable	Year 1												Year 2
			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 1
A	Sales Quantity (Each Month)														
B	Unit Price														
C	Unit Cost (Variable Cost)														
D=A x B	Sales Revenue(= Qty x Price)														
E=A x C	Less Variable Cost (=-Qty x Variable Cost)														
D - E	Gross Profit (Gross Margin)														
	Fixed Expenses														
	Salary														
	Rent														
	Insurance														
	Others (Specify)														
	Others (Specify)														
	Others (Specify)														
	Others (Specify)														
	Others (Specify)														
	Depreciation														
F	Total Fixed Expenses														
D-E-F	Profit Before Taxes														
T	Tax @ 15%														
D-E-F-T	Net Profit after Tax														

I Create India: Business Plan Evaluation Sheet

Note to the Judges: Please give one score for each of the four categories. The subcategories are just for your guidance.

Team No:		1	2	3	4	5	6	7
Team Name								
Business Idea								
Evaluation Criteria	Max							
Presentation:	25							
Oral Presentation								
PowerPoint								
Props								
Time Management								
Implementability:	25							
Creative/innovative or me too?								
Resources available?								
Crucial Factors identified								
Market Research								
Risk Factors & Competition								
Financial Calculations:	25							
Start-up Costs & Sources								
Unit of Sale & Unit Cost								
Pricing								
P&L Statement								
Break Even Analysis								
Marketing Plan:	25							
Distribution								
Promotion								
USP								
Risk Mitigation								
TOTAL	100							
RANKING								

Name of Judge:

Place:

Date:

Signature:

23. The Power of Networking

It's not what you know but who you know that makes the difference.

-Anonymous

Learning Objectives:

- ✓ Learn what is meant by Networking.
- ✓ Understand the importance of listening: A successful person is always a good listener first.
- ✓ Know the difference between hearing and listening.
- ✓ Learn how to use an Ice Breaker to have people open up to you. A good icebreaker is fun and light.

Session Plan

This session is applicable to all four levels of AEW and CMS, with slight variation in the questions. This session also works as an ice breaker. Recommended time allocation is as follows:

Activity..... 20 minutes
Discussion.....: 7 minutes
Conclusion.....: 3 minutes

Materials Needed

- Notebook for the facilitator to make notes for the quiz.

Activity

- Tell the participants to close their note books and put their pens/pencils away.
- Explain to the participants that they will do a listening and relationship building exercise. We also call it 'networking' or an introduction exercise.
- In any typical workshop or class room situation, people tend to gravitate towards those whom they know or are from the same

organization. Therefore, before the session starts, please ask each person to sit next to a person whom they do not know or do not know well.

- As you will have to divide the participants into pairs, you need an even number of participants. If there is an odd number of participants, make one of the facilitators or staff take part in this session/activity.
- Make sure that each participant has a partner and he or she is sitting next to that person.
- Tell the participants that each person has to find out the following four things about his/her partner, their new friends, and that the time allotted to each pair is three minutes – i.e. each person has 90 seconds (one and a half minutes) to learn about his/her partner. The things to find out are:
 - The person's name and organization/Self Help Group/College/School.
 - The person's hobby.
 - The person's favorite film star or TV serial character.
 - The person's role model (or some other fun question).

Note to the Facilitator

Since many of the participants are meeting for the first time, we have kept the questions light and easy and not too heavy in nature. It should be a fun exercise. So please do follow the questions above and not change them. You may, however, slightly modify the questions, based on the type of audience you have and their background if you have to.

- Do not write the questions on the board or on the Power Point slide. Tell them to listen to the questions very carefully. You will repeat them twice and no more.
- Ask the participants to listen to the answers from their partners carefully, as they will be introducing their partners.

- Before the introductions start, please tell all participants that they have to listen to all the introductions as there will be a quiz (test) afterwards on the introductions.
- Make notes of at least 10 interesting questions to be used in the quiz. Like all I Create quizzes, the participants will grade the answers themselves.
- From each pair, one person will introduce the other in **30 seconds**, using the information collected during the 90 second interaction. The person doing the introduction should be seated while the one being introduced should stand.
- Make sure that there is absolute attention by all and no cross talk during the rounds of introductions.
- When all the introductions are over—which should be about 20 minutes for 30 participants—pose some of the following questions to elicit points for further discussion and conclusion:
 - What did we try to do in the exercise just completed?
 - How did it help?
 - Do we now know more about some people?
 - Did you find someone with interests/skills/hobbies similar to yours?
 - Do you think someone in the group will be able to help you in your business or activity?
 - Does someone have knowledge about something you need to know?

Don't start thinking of what next to ask while someone is answering your question. This is the biggest hurdle to good listening. If you are already thinking about what you are going to say, then you're not listening.

Discussion

After posing the questions listed above, and getting the response, you can use the following brief points and or tips to reinforce the importance and art of listening. You may also make use of the Power Point Presentation where appropriate, to supplement your discussion.

Tips on Active Listening

- Focus on your partner's words and nothing else. If you have not understood something, ask him/her to repeat it.
- Don't start thinking of what next to ask while s/he is still answering the first question. **This is the biggest hurdle to good listening.** If you are already thinking about what you are going to say, then you're not listening. Listen until the other person is done speaking before thinking of what to reply. You can always pause before you reply or ask the next question.
- Show that you are paying attention to what the speaker is saying, through your body language: make proper eye contact, and show your involvement by leaning a bit forward towards the speaker, nodding your head appropriately when required.
- Look straight into your partner's eyes. You will not only be able to listen better but it will show that you respect her/him.
- When appropriate, show the speaker you are a good listener by using some encouraging statements like, "Wow!"; "Brilliant! That's really interesting", "Hats off to you! You truly are a brave and adventurous person."
- Make it a game of being a good listener. (Keep notes on how to be a good listener and keep visiting them and score yourself after key conversations for a month.)
- It may be hard work at first, but with practice, it will become routine and you will become a good listener.
- Remember, most successful people do more listening than speaking. Remember, *God gave you two ears and only one tongue.*

Conclusion

- ✓ Smart networkers realize that their potential influence is directly related to the size of their network and base of connections. A network is a varying collection of people from all walks of life—someone may be a CEO, whereas another may be a part-time secretary you meet at the bus stop; most of you may have met initially by chance, through work or otherwise. In the jigsaw of life you never know where that person might show up again or how much influence their opinion of you may carry, or when again you may need to seek his advice or help.
- ✓ Master networkers build relationships that are mutually helpful and not simply to take advantage of a "connection." In one sense then, building a network is like building an informal team that helps you and your enterprise succeed as you help them succeed

God gave you
two ears and
only one
tongue.

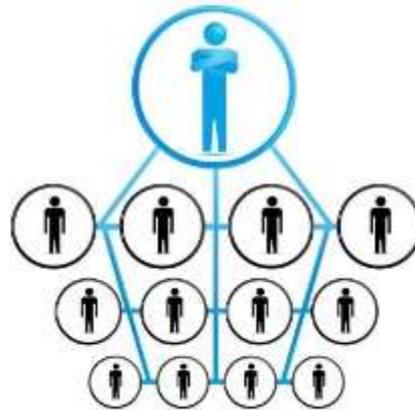


IMAGE COURTESY OF DIGITALART / FREEDIGITALPHOTOS.NET

You can make more friends in two months by becoming interested in other people than you can in two years by trying to get other people interested in you.

-Dale Carnegie

24. How to Network Effectively

Networking means creating a feeling of trust and warmth with new acquaintances which is seen by them as mutually beneficial.

When we network and spend time with our potential clients or stakeholders, our objective is to “educate them” on our business capabilities and what service or product we offer them, and not to curry favor.

–Richard Bach

Learning Objective

- ✓ To understand what Networking is.
- ✓ To learn the Dos and Don'ts of Networking.
- ✓ To learn the Tools for Effective Networking.

Session Plan

This session is applicable to all four levels of AEW and CMS. Recommended time allocation is as follows:

Discussion..... 20 minutes
Activity..... 20 minutes
Conclusion.....: 3 minutes

Discussion

Ask the participants what they understand by “networking” and “what is the purpose of networking”?

You may get varied answers like connecting, exchanging business cards, selling (as in network marketing). Through counter questioning and prodding, nudge them towards “networking means relationship building” and “purpose of

networking is to know and develop more connections and not selling, though in the long run sales may result”.

Ask each of the participants to think of a person who they think as having ideal networking capabilities. Then ask them to write down three effective things he or she does to expand his/her network. The person could be someone they know personally, a well-known person, a character in a story or movie—anywhere in the world. Give them five minutes.

Since you won't have time to have each of them narrate their answers, have all of them go back to their teams (or set up groups if the teams are not formed yet) and have the group pick the best example from the group members. Have the winner come up and explain his or her choice of person and the three traits of that person.

In all, if you have six groups, you should be able to get 18 traits on the board—some repeated—and that's fine.



IMAGE COURTESY OF RENJITH KRISHNAN / FREE DIGITAL PHOTOS.NET

Tips for the Facilitator

Here are a few simple traits that you can share with the class that will help them become good networkers.

- Take genuine interest in the persons you are trying to network with. Learn more about them through various sources – friends, relatives, classmates, newspapers, magazines etc.
- Understand about their family (but don't be nosy), hobbies, causes they support etc.
- Determine how your activity/product/service will bring value to the person you are planning to network with.
- Start with your known group or inner circle. In the first phase, include your immediate friends, family, colleagues, relatives and former colleagues. Spread the word about your business and the value it brings. Ask if anyone has a contact that might be able to offer advice. Then make sure to ask every person you meet for two or three more referrals. (“Do you know anyone else who might benefit from what I have to offer?” can be an effective question.)
- Preparing a short speech—an elevator (lift) speech—that can be delivered in 30 seconds or less (more about it later) is very important. The more you are able to tell people in a logical and concise way what you have done and what value you offer, the more they will be able to keep their ears open for you.
- Target trade groups. Join the trade or industry group in your area and local chamber of commerce. Consider volunteering on one of the group's committees to meet members. Volunteering with professional, community and other groups is a good way to gain visibility and develop relationships.
- When you are at a networking event, mingle and act as a host and not as a guest. When we attend a meeting or a gathering, we often wait for people to reach out to us. There are always excuses that we do not know anybody. The best technique to overcome this and get the most of our time and event is to act as a host and not as a guest—even when we are guests. Reach out to people and make interesting comments about them, your business or just talk about some useful and interesting news item you have read. Ask people for their opinions.
- To make the most of the networking event, arrive early. Make sure you have plenty of business cards and/or brochures. Do not be afraid to approach people whom you do not know and introduce yourself. Do not hard sell yourself or your company. Networking meetings are to be social and semi-informal / relaxed. Do your best to remember the names of individuals you have met.
- Follow through. After the networking meeting, it is important that you follow up with the people you have met in a timely manner. Nothing can kill a budding relationship faster than not writing a proper thank-you note or email, but do not assume the content of an email is any less important than a letter.

When we attend a meeting or a gathering, we often wait for people to reach out to us. The best technique to overcome this and get the most of our time and event is to act as a host and not as a guest—even when we are guests.

Tell the participants “In the next lunch break, I want you to practice this and practice it in every break thereafter. At the end of the training program, you should have made at least five solid friends”

Ask some searching questions after the lunch break, such as “How many of you acted as hosts?” Ask two or three persons to volunteer and share their experience.

Short Speech: “The Elevator Pitch”

In the discussion earlier, participants were told about preparing a short speech that can be delivered in 30 seconds or less. Where does the 30 seconds come from and what do you call such a speech? It is very often referred to as an “Elevator Pitch” or a “Bus Stop Speech” in the local context.

What is it?

An elevator pitch, or an elevator speech, presentation, or story, is a succinct speech that sums up unique aspects of a business and is designed to get a conversation started. Named an "elevator pitch" because it should last no longer than the average elevator ride (that is where 30 seconds come from), it's an important communication tool that should give the audience not only enough information to educate but also make them want to know more. A good elevator pitch gives the big picture of the business in an intriguing way.

Why do you need one?

In any business, great connections are made face-to-face, and sometimes are unplanned. You may find yourself at a trade show standing next to exactly who you wanted to talk to or at a restaurant. You may meet the person with whom you have been seeking an appointment, but have only 30 seconds to start a conversation. A ready, well-crafted elevator pitch (or Bus Stop Speech) will help you say enough in just a short amount of time to catch the attention of that person.

Dos and Don'ts

An elevator pitch should not contain intricate details of the business. You should be able to explain what the overall business is about and what it can do for them.

The goal is not to deliver your 30-second advertisement; it's to promote a two-way conversation. A successful pitch is where the other person relaxes and says, “Interesting. Tell me more.”

Do not use fancy language. Avoid words like “synergy”, “optimize”, “efficiency”: they make it sound like a sales pitch.

A Few Good Examples

Allow me to give you an example, Mr. Singh. Adhunik University needed their web designer to make the updates each time the course schedules changed which often didn't happen. I created a

Preparing a short speech—
an elevator (lift) speech—
that can be delivered in 30
seconds or less is very
important.

new website and now the registrar's staff can make changes themselves, saving them money and time. My name is Avinash. If you can use Word, then I can show you how easily you can update your website.

I work with companies who want to stop unavoidable sick leave by employees and be more productive by taking better care of themselves and their employees -- A health and fitness expert with a fitness company.

*I Create empowers disadvantaged members of society through practical entrepreneurship training, mentoring and help with access to capital. We are in the business of demystifying business at the grassroots level
– Harsh & Aruna Bhargava, Founders of I Create*

Activity

- Ask the participants to be seated in their teams.
- Each team has to work on its very short “Bus Stop” speech for its business idea. Give five minutes for this.
- At the end of this, all teams should be ready with their speech.
- Ask one spokesperson from each team to make the pitch to you or a “contact” designated by you. Designate a different “contact” for each team. Explain who the contact is (his/her background and current activity—it should have relevance to the business idea of the team). For example, if the business idea of the team is “organic manure” then the “contact person” could be a farmer.
- Each team should present the pitch by turn. The total time for each team is 30 seconds, once the person gets the floor.
- While the teams are making their pitches, all participants will listen and make notes of their observations about the pitch – content, delivery, relevance etc.
- After all the teams have done their pitches, the floor is open for some structured discussion.
- Move from one team’s pitch to the next for discussion.

- First ask the “contact” for his/her views and feedback. Then ask the other participants for their views. In all of these feedbacks, there should be suggestions for improvement or what else could have been done and not just saying “it was wrong” or “it was not good”.

For Optional Reading

Web Links

- <http://www.nytimes.com/ref/open/finance/OPEN-NETWORK-EFFECTIVELY.html>
- <http://workawesome.com/communication/how-to-network/>
- <http://www.tobeanentrepreneur.com/blog/how-to-write-a-winning-elevator-pitch/>

A good speech has a very interesting beginning, a very compelling conclusion and both are very close to each other.

-Anonymous

25. Negotiation

In business, you don't get what you
deserve, you get what you negotiate.

—Chester Karrass

Learning Objective

- ✓ Implement negotiation skills while doing business.
- ✓ Know the difference between Negotiation and Bargaining.
- ✓ Get a concrete reply in “yes” or “no” instead of “maybe” or “possibly”.

Session Plan

This session is applicable to all four levels of AEW and CMS. However, for Level 1, a different case study might have to be used. Recommended time allocation is as follows:

Activity..... 28 minutes
Discussion..... 12 minutes
Conclusion.....: 5 minutes

Materials Needed

You need two facilitators and the following material:

- Hand Towels (different colors, one per pair of participants)
- Handouts (for the seller and buyer)

Activity

1. Group the participants into neighboring pairs. (1's and 2's)
2. One group is Hotel Owners (buyers) and the other Towel Manufacturers (sellers).
3. Give each group appropriate handouts (one per person) and a sample towel to each towel manufacturer.
4. Take each group to different rooms or corners. Let them go through the hand out and seek clarifications, if any. Make sure all have understood the instructions.

5. Bring them back to the room and give them seven minutes to complete a deal.
6. Begin a countdown of the time left for striking the deal in order to put the players under pressure for time. At the end of the specified time, tell them to stop negotiations.
7. Ask all participants to assemble as a class for discussions.

Discussion

- Ask how many pairs came to an agreement.
- Ask each pair that struck a deal to write down their final price.
- Make a few pairs at random come up (based on the highest price, lowest price or any other interesting criteria) and enact the scene in brief and make the audience give feedback or ask questions.

You can use following prompts to make the discussions interesting:

- “What was the opening price of the “Buyer” or “Seller” from various pairs?”
- “Who negotiated only on price?”
- “Did anybody discuss delivery or payment terms?”
- “Did anyone use ‘silence’ or apparent lack of interest as a negotiating tool?”
- “Did any ‘Buyer’ talk of competitive products?” How did the seller respond?”

Ask the participants to describe what they learned from the activity.

Conclusion

- ✓ Is it Bargaining or Negotiation?

Bargaining is what people typically think of as haggling, point counterpoint or pushing back and forth on price. If one always sticks to bargaining, the end result will not augur well for the business.

In bargaining, often one asks for a discount without any justification for why you should get one. It actually results in a Win-Lose situation. This may result in

losing customers or suppliers as they might feel this person always bargains and is never ready to negotiate.

Negotiation is a **dialogue** between two or more people or parties, intended to reach an understanding, resolve a point of difference, or gain an advantage in the outcome of a dialogue. Negotiation is intended to aim at **compromise**.

As a businessman, you should always use negotiation, where both you and your client, supplier or employee come to some sort of an agreement. It is a gain for both you and the other party i.e. it is a Win-Win situation.

To be a good negotiator, remember the following points:

- Go prepared with research as to why you should get that discount.
- Look at competitors and know the market.
- Be ready to compromise.
- Set your goals and organize your thoughts.
- Decide on your boundaries.
- Determine what the best deal is for you and which is the worst?
- Know your minimums and maximums.
- Put yourself in the other person's shoes.
- Determine the non-negotiable.
- Encourage the other person to make the offer.
- Do not show anxiety.
- Use silence as a tool.
- Show willingness to accommodate.

Negotiation is a dialogue between two or more people or parties, intended to reach an understanding, resolve a point of difference, or gain an advantage in the outcome of a dialogue.

Last but not the least, negotiation is not just about price; there are other factors like delivery, specifications, payment terms, after sales service etc. Often, a buyer will agree to your price if you are able to provide exactly what the customer is looking for. For example, a customer may simply be looking for timely delivery and price may not be a consideration.

So the cardinal rule about negotiation is to find out what exactly the other party is looking for. Accommodate him on that and he will accommodate you on your priorities. That's a win-win negotiation.

Finally, focus on defeating the problem and not each other.

It is generally believed that a good negotiation is the one where both parties are slightly dissatisfied with the outcome of the negotiation.

Note to the Facilitator

At the end of the session, do not forget to collect the towels distributed for sample demo purpose.



IMAGE COURTESY OF KJNNT / FREEDIGITALPHOTOS.NET

The cardinal rule about negotiation is to find out what exactly the other party is looking for. Accommodate him on that and he will accommodate you on your priorities. That's a win-win negotiation.

You must never try to make all the money that's in a deal. Let the other fellow make some money too, because if you have a reputation for always making all the money, you won't have many deals

-Dwight D. Eisenhower

Manufacturer of Towels

You are a manufacturer of napkins (hand towels) and you have responded to a request for a quote from one of your customers for supplying 60,000 napkins. Your quoted price is @ Rs.22 per napkin. Last year, you supplied to the same party a similar quantity @ Rs.20 per napkin. The buyer was happy with your product quality and service.

The main reason for your increase in price is cotton price has gone up by 20%, labor up by 5% and other general escalation.

This customer has called you for a meeting to discuss your quotation which is already with him.

Your production unit has a capacity limitation of 15,000 per month.

You know that the customer uses the 60,000 over a period of one year.

Your cost per napkin, including all costs (variable & fixed), is Rs.18.

A survey of the market and the price at which your competitors are selling is as follows:

Market Information

	A	B	C	D	Need
Yarn Court	Rough	Smooth	Fine	Superfine	Fine
Life Span	6 Months	6 -8 Months	8-12 Months	12-18 Months	12 Months
Absorption	40%	50%	70%	90%	90%
Color	Single	Double	4 Colors	All Colors	All Colors
Price (Rs.)	14	18	22	25	

Your task is to make a deal with the hotel owner/his representative and bag the order. A sample of what you produce is with you for showing to the customer.

Hotel Owner

You run a boutique hotel and a restaurant with some significant number of rooms. Your annual requirement of napkins to replace the torn, worn out and lost ones is 60,000 and its usage is uniformly 5,000 per month.

Last year, you got the product from a reputed supplier at Rs.20 per napkin. The service was good and quality as per specification. This year, your supplier has quoted Rs.22 per napkin (against Rs. 20 last year).You are aware of the escalations in the raw material as well as labor and general expenses.

The product you are looking for is “fine yarn count” with 90% absorption and in all colors with durability for 12 months. You are willing to accept 70% absorption.

Though you have asked for a price point for 60,000 napkins, you are not in a position to take delivery at once due to space limitations. You would prefer 4 deliveries – i.e. 15,000 per quarter. Your supplier may or may not be aware of this limitation.

You have called the supplier for a meeting to discuss the quotation and finalize the deal.

You have checked around in the market and it has given you the following information:

Market Information

	A	B	C	D	Need
Yarn Court	Rough	Smooth	Fine	Superfine	Fine
Life Span	6 Months	6 -8 Months	8-12 Months	12-18 Months	12 Months
Absorption	40%	50%	70%	90%	90%
Color	Single	Double	4 Colors	All Colors	All Colors
Price (Rs.)	14	18	22	25	

Your task is to make a deal with the supplier and book the order. You have tried other suppliers and are not satisfied with their quality.

26. Expanding Markets — A Learning Game

The latest annual Global Trade amounted to about \$ 19 Trillion (\$19,000,000,000). A great opportunity exists for our entrepreneurs to plug into this huge Global Trade activity.

Learning Objective

- ✓ Learn the benefits of trading.
- ✓ Know the difference between local, regional and global markets.
- ✓ Know more about how to expand your market and what precautions to take.

Session Plan

This session is applicable to CMS and all four levels of AEW. Recommended time allocation is as follows:

Activity.....	20 minutes
Discussion.....	15 minutes
Conclusion.....	2 minutes

Materials Needed

- Brown paper bags (opaque), one for each participant.
- 10 to 20 types of small items e.g. comb, chocolates, biscuits, toys, hairclips, toothpaste, pencils, pencil sharpener, note pad, sticky pad, small scissors, small knife, small kitchen tools, nail clipper, shaving razor, ladies make up items—good quality if price permits, etc. They have to be inexpensive items. The total number of such items should be five times the number of participants. **Average** unit price to be Rs.5 per item.

Before the class begins, put five randomly selected items in each bag and close the bag.

Activity

- Make it clear to the participants that they have to follow the rules of the game. They have to listen very carefully because you would explain these rules once and then repeat them only one more time. Make sure that the participants are seated in their respective teams. Also, ensure that the total number of participants is an even number, as we need to pair them later. If the total number is odd, add one other person (an observer or faculty).
- Pair the participants and let each one know who his/her partner is (you can use counting 1-2 etc.).

Instructions:

Round 1:

- The first instruction is that they should neither open nor handle the bags.
- Pass the bags out in such a way that each participant gets one bag only. Now repeat the first rule: **Participants should neither open nor handle the bags.**
- The second instruction: “When you are asked to open the bag, do it in such a way that none except you are able to see what is inside the bag. **Even your neighbors should not know what you have got.**”
- Now tell the participants: After seeing the contents of your bag, you have to rate your level of happiness with the items you have got, on a scale of 1- 5, as given below:
 - Very unhappy1
 - Not happy2
 - Average happiness ...3
 - Happy4
 - Very happy.....5
- Tell them that they should now open their bags and look at the contents. After closing their bags, they should then write down on the bag their level of happiness with the items. It could be written as R1 – (level). Tell them not to share their scores with fellow participants.

- Ask the participants who were very unhappy (i.e. with a score of 1) to raise their hands. Count and record their number in the column marked (n1) on a **Happiness Chart** as given below:

Happiness Level	1 Very Unhappy	2 Not Happy	3 Average Happiness	4 Happy	5 Very Happy	Total Class Happiness
Round 1	(n1)	(n2)	(n3)	(n4)	(n5)	
Round 2						
Round 3						
Round 4						

- Likewise, count and write down the number of participants with happiness levels of 2 against (n2), 3 against (n3), 4 against (n4) and happiness level of 5 against (n5).
- Verify that the total number of students as per the chart $(n1+n2+n3+n4+n5)$ is equal to the total number of students who are playing the game.
- Calculate the “Total Class Happiness” using this formula: $[(n1 \times 1) + (n2 \times 2) + (n3 \times 3) + (n4 \times 4) + (n5 \times 5)]$. Write the answer in the last column of the chart for Round1.

Round 2:

- Pair off the participants with their immediate neighbors (as indicated earlier). Make it clear that they will be given just one minute’s time in which to show their partners the items in their respective bags and to use their negotiating skills to exchange any of the items by mutual consent. Once your instructions are clear to the class, ask them to start trading with their respective partners.
- After one minute, tell the class to stop trading. Now tell them to rate and write down their new levels of happiness based on the items at hand. (R-2)
- As done in the earlier round, compute and enter the figures in the **Happiness Chart** so as to find out “Total Class Happiness” after Round 2.

Round 3:

- Instruct the class that they will now be given three minutes, during which time they can interact with the members of their team and—using their negotiating and other skills—exchange the items in their respective bags with anyone in the team. Once this instruction is clear to the class, ask them to start trading in the team.
- After three minutes, tell the class to stop trading and tell them to rate and write their new levels of happiness based on the items at hand. (R-3)
- As done in the earlier round, compute and enter the figures in the **Happiness Chart** so as to find out “Total Class Happiness” after Round 3.

Round 4:

- Instruct the class that they will now be given five minutes, during which time they can get up from their seats and will be free to interact with anyone in the entire class, using their negotiating and other skills to exchange the items in their respective bags. Once this instruction is clear to the class, ask them to start trading with anybody in the class.
- After five minutes, tell the class to stop trading and return to their seats. Now tell them to rate and write their new levels of happiness based on the items at hand.
- As done in the earlier round, compute and enter the figures in the **Happiness Chart** so as to find out “Total Class Happiness” after Round 4.

Discussion

Using the completed **Happiness Chart**, lead the participants in an analysis of the change in happiness that occurred. Under normal circumstances of voluntary trade, the total happiness of the class would increase from Round 1 to 2 and further from Round 2 to 3 and from Round 3 to 4.

Discuss changes on the chart that are particularly interesting. For example, the happiness level of one or more participants may have come down if their trading partner/s used coercion or other unfair means, or if they later regretted their own decision. Also, growth in happiness level may flatten quickly if the participants like what they have after the first round of trading.

Lead a discussion on expanding markets by asking the participants questions such as:

- “What are the advantages of growing markets? Regional, National, International?”
- “Did the opportunity to exchange the number of items increase as the group size you were trading with increased?” (Here, the answer may not always be ‘yes’ since the participants had already traded away items they didn’t want within the smaller groups earlier. However, conceptually the answer would be ‘yes’.)
- “Why Export?”
- “What are differences in selling to domestic market and to export markets?” Some examples are: Cultural sensitivity, taste, fashion, measurement units (for example US uses yard and inches, pounds and oz.)
- “What are the precautions to take when planning to export?”

Also, recognize, appreciate and reward the **creative methods** used by the participants in trading.

Conclusion

The decision to expand your business must be a result of thoughtful consideration of **various factors**, including the financial, logistical, and your organizational readiness. By expanding your markets, the probability of your business growing is definitely higher. It will also increase your level of happiness (increase in profit being one of the reasons). **Start locally and grow globally, as the saying goes.**

One important factor to be kept in mind while expanding your market globally is that you need to be aware of the tastes, practices, existing government regulations and policies in that particular country and the payment terms essential for international trade. You also need to be aware of the culture sensitivities in the country where you are trading and how to communicate with your potential international customers effectively. We plan to put a module on cultural and other sensitivities for export on I Create Cloud Campus Learning Circle.

Optional Reading

Web links

- Factors to be considered before expanding market:
<http://www.powerhomebiz.com/vol75/expand.htm>
- Expansion Factors To Consider:
<http://www.entrepreneurialconnection.com/skills/module62/five.asp>
- Factors to be considered before entering foreign markets:
http://wiki.answers.com/Q/What_factors_need_to_be_considered_before_entering_foreign_markets

IMAGE COURTESY OF WATCHARAKUN / FREE DIGITAL PHOTOS.NET



The decision to expand your business must be a result of thoughtful consideration of various factors, including the financial, logistical, even your emotional readiness.

27. Intrapreneurship: Advanced Employability Skills

An Intrapreneur works in a company as an employee, but thinks like an entrepreneur. Just as he would watch the costs, ways to improve efficiency, ways to increase sales, and think of creative ideas for his own business, he would have the same approach as an employee in the company.

In today's world, for businesses to survive, they must inspire an individual employee to become an Intrapreneur—an employee with entrepreneurial approach to the business. They must create an environment where the employee thinks of cutting costs, wastage, improving sales, quality, customer service and creative approaches and ideas, as if it were his business. While many businesses still run as a rigid hierarchy, and do not encourage Intrapreneurship, things are changing and companies are seeing the value of Intrapreneurship. Apple wouldn't have been the Apple of today if Steve Jobs hadn't inspired the employees to work creatively as Intrapreneurs. Virgin Atlantic has grown to 200 companies within 10 years since it started promoting Intrapreneurship.

So with I Create training, whether you take up a job as a sales person, or as a production employee or work in the Customer Service department of a big company, your knowledge of what makes an enterprise become successful; the knowledge you gain at an I Create workshop in finance, marketing, sales, quality, negotiating skills, and communication skills to mention a few, will greatly help you to contribute to the firm. You will not be thinking like a small cog in the wheel but will be able to understand and harmonize with the overall company goals. This makes you a better candidate for being recruited, and increases your growth prospects once employed.

Under its CMS program, I Create training is thus not just for creating entrepreneurs but also provides advanced job skills to help you become an Intrapreneur in an organization, small or large.

Under its CMS program, I Create training is thus not just for creating entrepreneurs but also provides advanced job skills to help you become an Intrapreneur in an organization, small or large.

We do believe the following are some of the important parts of job skills training:

- Identifying what your dream job is and doing a job hunt,
- Writing a good resume,
- Grooming, and
- Interview Skills—including preparation for the interview.

Modules for the above are planned to be included in I Create Cloud Campus Educator Circle.

28. Communicating for Success in Business

“Written and Oral Communication” was the course voted as the single most useful one in real life among all the courses taught at the MBA program at Harvard Business School.

–A result of survey of successful Harvard Business School alumni

Learning Objectives

- ✓ Learn simple ways for effective business communication.

Session Plan

Activities and Exercises.

Instructions to the Facilitator

As always, get the class to come up with answers but help with examples and samples to drive the points.

Start with the following questions:

1. What are the different forms of communication?

Let the class come up with the answers. Have the class come up with examples of each. (**Keep it brief.**)

Answer: Written, Oral and through Body Language.

2. What is the most common form of business communication?

Compliment the one who says “Written.”

3. What form of written communication is the most used today?

Compliment the one who says “E-mail.”

66% of written business communication is via e-mail.

(One study states that 66% of written communication is via e-mail in business. Text message, Face Book, Twitter etc. are mostly used for social communication.)

Important Note for the Facilitator

Please emphasize that nearly all the rules that apply to e-mail also apply to any other form of business communication—be it a letter or memo etc.

4. What is the most important area of an E-mail?

There will be many answers but compliment the one that says, “Subject Line”

Have a short discussion for about two to three minutes on why. Remember, when you open your e-mail inbox page, you only see the sender’s name and the subject. Subject is like the headline of a news article in a newspaper. Only if the headline is of interest to us, do we read the rest of the article.

Ask for examples of good and bad subject lines.

Tip for the Facilitator

One of the worst things to do is to leave the subject blank or just say “hello”. A good subject will tell you immediately what the e-mail is about, e.g. “Your order shipment details.”

- Have the participants form four groups and ask each group to take a piece of paper and list three most important things for an effective e-mail and why, and one thing to avoid and why – all in the context of business. Allow two to three minutes for this exercise.
- As the participants read their lists, you can jot the items on the board. The list you get may look like bulleted list below:

Important: To be worthwhile, keep the list short and spend time in going over why. The illustrative whys in brackets are given below as facilitator tips.

The Subject Line is the most important area of an e-mail.

- State the Most Important First (Business people are very busy and often have limited patience to go through the whole e-mail.)
- Be Brief and to the point (Same as above.)
- Do a spell and grammar check (If your e-mail has an error, the reader may make a bad judgment of the quality of your product or service.)
- Take a second look at the e-mail before pressing the send button. (For important letters, sleep overnight and read with a fresh mind.)
- Respond promptly (If you don't have an immediate answer, simply acknowledge and state that you will give a response in x number of days, and make sure you do so. Never say, "I will get back to you as soon as possible." 'As soon as possible' doesn't give the reader any idea and leaves him/her wondering about when s/he might expect to hear from you. Give a specific time frame. "I will be back to you in two days", or "I will be back to you early next week", or "I will respond by Friday", etc.
- Remember to send a thank you e-mail when you have got a response to your e-mail. (Jeff Bezo, the founder of Amazon, says that is the biggest investment of his time—sending thank you e-mails.)
- A few items to avoid:
 - Avoid abbreviations—especially if writing internationally. (See sample of bad email later in this module.)
 - Don't use all capitals. (It is considered a bit too aggressive and even rude.)
 - Avoid stylized or too small fonts. (Could be difficult to read.)
 - Minimize bold or underlining.
- Now show the participants the examples of good and bad e-mails given below and ask them about the good points in the good e-mail and bad points in the bad e-mail. Give an opportunity to as many students as possible to participate in the discussion and do not let two or three monopolize the discussion.

.....
SUBJECT hello

dear mr harsh

how r u.

mr dinesh gave me ur msg.. we r in a position to ship the rubies and give u the best prices. V r largetst xporters of rubies n other precious stones from jpr and have hi reputation.

with kindest regs

v remain

mohan
.....

Question: Is this an example of a good e-mail or a bad one? (You will get the right answer—bad.) Now ask the class what all is wrong with the e-mail. Give an opportunity to different students to respond. (Also, point out that while some people may know that ‘msg’ is short form for message, others think of ‘msg’ as monosodium glutamate—the flavor enhancer used in Chinese food!)

The next one is an example of a good e-mail. Again, ask them what’s good about the e-mail.

Subject: Thank you for your visit.

Dear Mr. Singh,

Greetings from Kolkata.

Would you kindly let me know when we can expect to receive your order for the 500 designer shirts you liked during your visit?

(You can end the letter with some personal touch as below.)

My wife, Saroj and I really enjoyed meeting with you and Mrs. Singh. We hope you will visit us again and give us the opportunity to show you around Kolkata.

Kind regards,

Dhirubhai

Dhirubhai Sen
President,
Sen Garments Co.
(Designer and Manufacturer of Premium Men's Clothing)
Mobile 99 9876 5432
www.garmentsthatmakesens.com

Start practicing the above communication guidelines today and become a master communicator!

Optional Reading

Web Pages

- <http://www.dailywritingtips.com/email-etiquette/>
- <http://jerz.setonhill.edu/writing/e-text/email/>
- <http://michaelhyatt.com/e-mail-etiquette-101.html>

General Writing

- www.dailywritingtips.com

29. Sources of Funds (You Have a Great Business Plan, and Now, How to Finance It)

In a survey, 80% of small businesses start-ups around the world said that access to finance was the biggest hurdle. While World Bank's Doing Business ranking gives an overall poor ranking to India, fortunately, it gives it a very high 35 out of 180 countries around the world in the area of access to finance.

Learning Objectives:

- ✓ Identify different kinds of sources available for meeting the funding requirements of the business.
- ✓ Understand the implications of using these sources.

Session Plan

It is applicable to all levels of AEW. However, the Facilitator should cover the items selectively. For example, if the group is rural, there would be no need to cover the scheme meant only for urban folks.

Note to Facilitators

This session would generally be conducted after the teams have worked on their start-up costs for the business idea being pursued. The session will help them identify the sources.



IMAGE COURTESY OF PATPITCHAYA /
FREEDIGITALPHOTOS.NET

Activity 1

- Ask each participant to list the various ways in which money can be raised by an entrepreneur. Then ask each team to consolidate their list, thus making one list for each team. Give a total of five minutes for this combined activity.
- Ask each team to give one source and write it on the board. Other teams must not repeat the item. Do about two quick rounds and the list may look as follows:

Personal Savings	Government Schemes thru Banks
Partner's Contribution	Micro Finance
Friends and Family	Subsidy or Grants
Self Help Group (SHG) ⁽ⁱⁱⁱ⁾	Money Lender
	Angel Fund or Venture Capital ⁽ⁱ⁾

- i. These sources may not—and need not—come up with grassroots level participants.
- ii. There is an element of personal saving and an element of loan in SHG financing.

Pros and Cons of Different Sources

Since the participants may be new to this area, briefly go over the pros and cons of each type of financing and ask them if they have any comments or questions:

- **Personal Savings, Partner's Contribution or Shareholders' Money**
 - All these are Owners' investments or "Equity".
 - There is no "immediate cost" to the enterprise since there is no interest or dividend payment expected from the enterprise at the early stages.
 - When the enterprise becomes profitable, owners may decide to take part of the profit as dividends. (Remember, a reasonable salary to the owner/s for running the business is not the same as sharing the profit.)
- **Family and Friends**
 - We recommend that the date when the installments are due is finalized in the terms of the loan from this group in the beginning itself, whether the loan is interest free or not.
 - Since family and friends want to help the entrepreneur, there may not be any major documentation or collateral requirements, and they may get the loan at a much lower interest rate than from other sources. (We do recommend

that the terms of repayment and interest, if any, be written down and signed by all parties.)

- **Government Schemes through Banks**

- This has become the most popular means for external finance. We will go over the specific or selected and most popular schemes later.

- **Micro Finance Institutions(MFIs)**

- With the improvements in microfinance processes, mostly of self-regulation by the MFIs and regulatory reform, this source of funding is becoming popular. The greatest advantage is the ease of procurement, whereas the greatest disadvantage is very high interest rates. We will go over the details later.

- **Subsidy/Grants**

- A good source for some micro enterprise. Like Govt. schemes, they have procedures to follow—that are explained below.

- **Self Help Group (SHG)**

- Must be a member of a SHG.
- A successful and simple government-supported scheme that works on the principle that a member of an SHG with a track record of good credit can get a loan from a bank of much larger amount than the SHG savings. Details later.

- **Angel Money/ Venture Capital** (It is a complicated subject so keep it very brief.)

- Not suitable for grassroots level businesses.
- While no interest is payable, such investors expect part ownership of the firm.

Additional Notes to the Facilitator

While key details of popular govt. schemes are being provided below, prior to doing this module, obtain the correct address of the relevant office for applying under that scheme in your state to give to your trainees.

Details of these schemes and additional schemes will also be provided on the *I Create Cloud Campus – Educator Circle* and updated periodically so you can provide updated information to your trainees, even though some of the basic principles of these schemes don't seem to change that much.

In order to make the presentation user-friendly, have one of your MTs, who could specialize in these schemes, do the presentation. Bankers often go into too many technical details; though needed when applying for the loan, they are not needed at this stage.

Popular Schemes and Sources of External Funding

India has a large number of schemes for funding especially for micro enterprises, a category in which most of our trainees start-ups will fall.

- **We will talk here only on an overall basis and not go into details to keep it simple.**
- While the office where one should apply may change since most of schemes are central govt. based, the basics are the same in each state.
- We will also not talk about schemes in individual states—such as Shri Bajpai Scheme in Gujarat. However, such schemes that are local or unique to a state can be covered by the IC Center of the state as needed.

Micro Enterprise (ME) is defined by the Govt. of India as follows:

- A. **Industrial ME:** Engaged in manufacture/production/processing or preservation of goods. Investment in Plant & Machinery up to Rs.25 Lakhs.
- B. **Service:** Engaged in providing services such as beauty parlor, tax advisor, restaurant etc. Investment in equipment up to Rs.10 Lakhs.

Essential Information on Key Important Government Schemes

1. Prime Minister Employment Generation Program (PMEGP) (The most popular Scheme)

- Eligibility: Any individual above 18 years of age.
- No income ceiling but only for new projects.
- The limit of the project cost is as under ME above, if the loan applicant is minimum 8th pass. However, the limit drops to Rs.10 Lakhs in Industrial and Rs.5 Lakhs in the Service sector if the loan applicant is not 8th pass.
- Both Loan and Subsidy available.
- Loan Amount: 90% of the project cost for General Category, and 95% of project cost in Special Category: women, minorities, handicapped, SC, ST etc.
- Margin: 10%—General Category, 5%—Special Category.
- Subsidy:
General Category: 15%—Urban and 25%—Rural.
Special Category: 25%—Urban and 35%—Rural.
- EDP and/or Trade skill training required.

Contact:

Urban: State District Industries Centers: DICs

Rural: State Khadi and Village Industries Boards (KVIBs)

For Frequently Asked Questions: www.indg.in/agriculture/rural-employment-schemes/pmegp/frequently-asked-questions-on-pmegp-scheme

2. Swarna Jayanti Shahari Rozgar Yojana (SJSRY): For Urban Areas

- For Urban Unemployed (with minimum 3 years in an urban area).
- Age: Minimum 18 years.
- Should not have defaulted an earlier loan.
- Maximum project cost: Rs.2 Lakhs.

- Loan amount: 95% of project cost.
- Subsidy: 25% of project cost, max Rs.50,000.
- Security: No collateral or guarantee required.

Each state has its implementing agency—which is generally the State Urban Development Agency. A 2012 state-wise list is provided here and can be a good starting point for you to get the latest info for this session. <http://mhupa.gov.in/programs/upa/nsdp/sjsry/Nodal-Officers-SJSRY.pdf>

3. Swarnajayanti Gram Swarozgar Yojana (SGSY): For Rural Areas

- Eligibility: Individual or group belonging to BPL families in rural areas.
- Size of loan varies and is small.
- Subsidy:
max Rs.7,500 up to 30% of the project cost for General category
max Rs.10,000 for SC/ST or Self Help Group up to 50% of the project cost

Contact: Nearest BDO, Bank Branch or Sarpanch.

Details: <http://www.angul.nic.in/sgsy.htm#Objective>

4. MICRO FINANCE

India's microfinance sector is slowly becoming popular after the Andhra Pradesh disaster, as a result of the interventions by the state governments, guidelines by the Reserve Bank of India, SIDBI, NABARD, and the self-regulations put up by the association of Micro Finance Institutions (MFIs) in India.

Three key points:

- Microfinance is one of the easiest loan options for a start-up or a running ME.
- Be careful that the interest you pay is on declining balance as required and stay away from MFIs without scruples who may still charge interest on original balance thereby making the interest rate go from 12% to an effective rate of 24%.
- The maximum amount per deal is now Rs.50,000.

Sa Dhan, an MFI association has about 240 members. Details, state-wise locations, and their addresses are shown in their easy to access map. <http://www.sa-dhan.net/files/Sa-dhan-indian-map.htm>

Micro Finance: Important Caution

- MFIs are now required to charge interest rate on declining balance and not on the original amount. Make sure that the agreement is on a rate that is on declining balance.
- Since the rate is still very high, the good news is that there is no prepayment penalty. Because MFI loans are easy to get, it can be like a bridge loan to get the business started. Once the entrepreneur is able to get a much lower rate loan from the Government schemes such as PMEGP, s/he should be able to return the loan to the MFI. Please make sure that the loan agreement with the MFI does not have any prepayment penalty clause.

5. Self Help Group (SHG)

- A Self Help Group (SHG) has become an effective low cost source of micro finance for the poor—especially women. The groups are formed by women that have prior social relationship, or live in the same area.
- The group meets regularly, appoints someone to keep an account and important minutes of the meeting. They often give the group names like Jhansi Ki Rani, Jagritaa, Shakti, etc.
- Typically the group is of 10 or more women and the monthly contribution for the Group's saving account in the bank could be as low as Rs.50 per member.
- Financing through SHGs reduces transaction costs for both lenders and borrowers. While lenders have to handle only a single SHG account instead of a large number of small-sized individual accounts, borrowers as part of an SHG cut down expenses on travel (to & from the branch and other places) for completing paper work and servicing the loan (paying installments etc.)
- The group members use peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral.
- The rate of interest is much lower than a typical Micro finance loan.

Many self-help groups take advantage of [NABARD](#)'s SHG-bank-linkage program and are able to borrow from banks once they have accumulated a base of their own capital and have established a track record of regular repayments.

6. Other Specialized Schemes

Suggestion to the Facilitator

Don't talk about them unless there is a question from the trainee.

- **Swarozgar Credit Card:** To provide a loan of up to Rs.25,000 to small artisans, handloom weavers, rickshaw owners etc.
- **Artisan Credit Card:** Up to Rs.2 Lakhs; Margin is required.
- **SME Credit Card:** Small Business Enterprises (including retail traders, professionals). Loan up to Rs.10 Lakhs; Margin 20% required.
- **Collateral Free Loan under CGTMSE:** For new or existing Micro & Small Enterprises excluding retail and wholesale traders. Loan amount up to Rs.1 Crore.
- For Purchase, Construction or Repair of Shop; Loan of up to Rs.20 Lakhs. Margin required 25% for New and 40% for old.

Important Notes for the Facilitator

1. Depending on the participants in the class, cover only the applicable scheme. (For example, don't talk about the rural scheme if your participants are urban.) Also, you can skip the slide on "Other Schemes" if not useful for the class.
2. Emphasize that since schemes get revised from time to time, it is best to go to the I Create Cloud website or the website of the Scheme to learn up to date information about the schemes.
3. Make sure you find out the current local contact info for the relevant scheme for the class and tell it to the trainees.
4. If someone in the class has additional **relevant and practical** information, encourage him/her to share it. No theory please.

30. Quality: What, Why and How

You have a quality product or service when your customer keeps coming back and not your product.

Learning Objective

- ✓ Understanding the meaning of quality and what it means in different businesses.
- ✓ Differentiating between quality and specifications.
- ✓ Defining quality for the product/service identified for the business idea for which Biz Plan is being prepared.

Session Plan

This session is applicable to all four levels of AEW and CMS. Recommended time allocation is as follows:

Discussion and Q and A 15 minutes
Activity..... 25 minutes
Conclusion.....: 5 minutes

Discussion

- Lead the discussion by asking the following questions to the participants. After each question, let there be discussions and cross questioning to help understand the key ideas.
- Do not forget to give chocolates for interesting answers. 😊

Q1: What do you understand by the term “quality”?

(Based on the type of audience, you may get varied answers like “quality means a better product”, “it works better”, “it looks clean and neat”, “it is attractive” etc. You may occasionally get an answer like “it satisfies customer needs” or some variation thereof. After a few answers, move to the next question).

The following is the most important part of the lesson: After the brief Q and A on quality in general, ask the following questions to the groups you have formed and give them 5 to 7 minutes to write very short answers to the following question:

If you are a customer of the following, what do you look for 'quality' in each of them? List three qualities you would look for in each.

1. Primary School for your young ones
2. Restaurant
3. Cooking Oil
4. Computer training center for you
5. Beauty Parlor

Notes for the Facilitator

- You can add to or modify the above list depending on the trainees.
- It is important to emphasize to the trainees that (i) they are customers for—and not sellers of—these services, and (ii) the price charged is unimportant for this exercise.
- Ask them to be specific in what exactly they are looking for in the area of quality.

Go around the group and write down the qualities each group has come up with for each of the products or services.

Now, give the groups two minutes to rank the qualities—from the most important to the least important, for each product.

Go around the groups and ask for the most important quality for each product/service. On the board, place a check mark against each item ranked as number 1 by the groups.

Q2: Who determines quality?

(Cover this very briefly. Quite often, you will get answers like “manufacturer”, or “producer”, “standards bureau like ISI or FPO”. You may occasionally get someone saying, “Customer decides the quality” and that is your lucky day. Ask the person who gives such an answer to explain it to the class. Then move on to the next question.)

Q3: Which has better quality—a Maruti Suzuki car or a Mercedes Benz car?

(Cover this very briefly. Most of the time, if not all the time, you will get the answer “Mercedes Benz Car”. Now is the time to ask the next

question. Depending on the trainees, you can also substitute cars by some other product like “Luxor Ball Pen” and “Mont Blanc Pen, or two soap brands. Choose products most of the trainees are likely to identify with or have a general knowledge of.)

Q4: What is the difference between Specification and Quality?

(Here you can use the cars or pens as an example and ask, “What has the manufacturer specified in the product sheet or catalog?” Obviously what was specified for Mercedes was more exacting and luxurious than for Nano. But that does not mean that Nano has poorer quality compared to Mercedes. It only means it has “lower” or “less exacting” specifications compared to the other. In other words specifications can be compared across different products (of similar nature – cars, pens, dresses etc.) but quality has to be in comparison to a product’s own specifications.)

Q.5: What are the essential steps for Quality Assurance?

Ask the trainees this question and note their answers on the board. Then, add any points they didn’t cover, from the list below:

- Training, developing and creating a culture of Quality in the organization, no matter how small your organization is, right from the beginning. “Quality means doing it right when no one is looking,” said Henry Ford nearly 100 years ago, which is as true today as then.
- Critical evaluation and review of products and processes from time to time.
- Creating incentives for quality services or products. The incentive may simply be a recognition of the person who had the best quality record, or a cash reward and recognition.

Q.6: How can Quality benefit?

Ask the trainees this question and note their answers on the board. Then, add any points they didn’t cover, from the list below:

- Increase in market demand and eventually, profit.
- Reduction in wastage.
- Reduction in customer complaints.
- Creating a brand recognized for quality.
- As the customers become more quality conscious, think of quality as not a good thing to have, but as an essential factor. The survival of a business may depend solely on the quality of its products or services.

“Quality means doing it right when no one is looking.”
–Henry Ford

Activity

- Ensure all participants are seated in their respective teams and each team has finalized its Business Idea for the Biz Plan Competition.
- Give about five minutes to the teams and ask them to discuss and document: “What does quality mean in your business and how will you ensure that the quality is maintained? In other words, what are you promising your customers and how will you ensure that your organization keeps the promise all the time?” Explain to the teams that they should avoid generalities, like “I will train my people” and be more specific, like “I will train my people in how to handle an angry customer through training”.
- At the end of the five minutes, give each team 90 seconds to articulate their Quality Proposition and the method by which this will be done.
- While the spokesperson from a team is presenting, ask the others to listen and make notes (as if they are the customers). After the presentation, these customers will give their feedback and suggest improvements. This should be limited to about two minutes per team.
- Complete the round of presentation and feedback for all teams.

Conclusion

Take two minutes to have the trainees ask any questions they may have? If none, just go over the quality ranking they gave to the different products or services that you noted on the black board.

Reminder

Remind all the teams that they have to work on their quality proposition to make it solid, based on the feedback received on their first attempt.

Optional Reading

Web Link

- <http://www.slideshare.net/jscover/2007-aatb-presentation-j-cover-importance-of-quality>
- <http://bip.softwarejewel.com/featured/the-importance-of-quality-in-your-business-4443/>



IMAGE COURTESY OF STUART MILES / FREE DIGITAL PHOTOS.NET

31. Business Structures

What I see in Nature is a magnificent structure that we can comprehend only very imperfectly, and that must fill a thinking person with a feeling of humility.

–Albert Einstein

Learning Objectives

- ✓ Learn about the different legal structures under which businesses are categorized.
- ✓ Understand the requirements and the limitations of each legal structure under which a particular business is likely to fall.

Session Plan

- If any of the participants have an advanced knowledge in commerce, or a degree, such as B.Com., you may identify them and invite them to assist you. However, do emphasize that:
 - This session is not to convert the group into legal experts in business structures but to give them a **basic and essential** understanding of the various forms of business structures.
 - Whereas an entrepreneur can easily set himself or herself up as a sole proprietor, if he or she wishes to go in for a bit more complex structure, they would have to consult an accountant or a corporate lawyer.
- We will not deal with forms and other detailed procedures in this course. If you have invited a lawyer or an accountant as a guest speaker, advise them to limit themselves to basics (which is often difficult for experts to do as they know so much about their subject). *If that is likely to be the case, just do the session yourself.* We have provided enough material for you to be able to teach this module. Again, you can have someone with commerce background from your class assist you, to give a variety to the class. BUT rehearse the lesson ahead of time with the person so that he/she sticks to the

module below and does not get into too much of details or theory. We have seen how people love to show their vast knowledge of the subject which is not needed for our trainees at this stage.

- Our limited purpose in this session is to make the participants aware of the different types of structures and the pros and cons of the most relevant structures.
- Our discussions will be limited to for-profit organizations and not non-profits or NGOs (i.e. Trust, Society, Section 25 Company etc.).

Types of Business Entities

The type of business entity you choose depends on three primary factors: liability, taxation and administration (which includes record-keeping and regulatory filings). Here's a quick look at the most common forms of business entities:

A **sole proprietorship** is the most common form of business organization. It's easy to form and offers complete managerial control to the owner. However, the owner is also personally liable for all financial obligations of the business.

A **partnership** involves two or more people who agree to work together and share in the profits or losses of a business. It is also relatively easy to form. The challenge is in finding the right partner since, once a partnership agreement is set, it becomes difficult to get out of it without damaging the business. Like a sole proprietorship, each partner is personally liable for the financial obligations of the business.

A **corporation** is a legal entity that is created to conduct business. The corporation becomes an entity—separate from those who founded it—that handles the responsibilities of the organization. Like a person, the corporation can be taxed and can be held legally liable for its actions. The corporation can also make a profit. The key benefit of corporate status is the avoidance of personal liability. The primary disadvantage is the cost incurred to form a corporation and the extensive record-keeping and regulatory reporting required.

Corporations can be of two kinds—and we don't need to go into details because we are in the class to encourage entrepreneurship and not create company law experts!

- Private Limited Company
- Public Limited Company

There are other forms, less frequently used, and again we will only mention the names and no more. They are Limited Liability Partnership, Cooperatives, and Hindu Undivided Family etc.

Let's talk in more details of the business structure relevant to most of our target group.

Question: "What business structure do you think most small businesses start as?" Please write down your answer on a piece of paper.

The choices are:

- Sole Proprietorship
- Partnership
- Private Limited Company
- Public Limited Company

Ask those who wrote Sole Proprietorship or Partnership to stand up and lead applause for them. Here are the reasons:

A Sole Proprietorship is the easiest form to set up and most common entity in India. This does not even require a formal registration with the Registrar of Companies. However, the owner may be required to obtain a license specific to the line of business from the local administration, which could be the municipal authorities or state department.

Note to Facilitator

Collect information about what types of businesses require licensing and registration in your area/state etc. Some of the licenses could be:

- Under Shops and Establishment Act
- Certificate from the Health Department (restaurant etc.)
- Clearance from the Fire Department
- Liquor permit

(Local Chambers of Commerce, Dept. of Industry or any other local body would be good source. Their websites may have this information. Please research and have it ready. Once you have that information, please share it with the I Create Academy so we can put it on I Create Cloud Educator Circle.)

Sole Proprietorship businesses usually require less capital. It is the preferred type of entity among start-ups such as small retail businesses, restaurants, garment producers, beauty parlors, bakeries etc.

Relatively speaking, there is less compliance required of the owner and, as the sole owner, one can exercise complete authority and control over his or her business.

On the other hand, since the business owner and the business are one and the same legally, there is no protection for the personal assets of the proprietor. In case of payment defaults, creditors can make claims against the personal assets of the owner.

A **partnership** company is formed by an agreement between two or more people (up to a maximum of 20) to own and run the business. This arrangement enables enterprising individuals to pool their resources to establish and expand a business. Collectively, the individual partners become a company. This type of entity is an ideal setup for small scale companies which require pooling of capital and management expertise for running the business.

Like a sole proprietorship, partnerships also do not require compulsory registration with the Registrar of Companies. It is optional for partners to register the company and there are no penalties for non-registration.

Like the sole proprietorship company, the partnership company also does not have a separate identity. The partners and the company are considered one and the same. In the event the assets and property of the company are insufficient to meet the debts of the business, the creditors can recover their loans from the personal property of the individual partners.

The extent of the rights of each partner in running the business should be clearly stated in a signed agreement at the outset. The rights, liabilities and duties of the partners are clearly spelled out in the agreement. When the written agreement is duly stamped and registered, it is known as a "Partnership Deed". Generally, a partnership deed contains the following:

- Name of the company;
- Nature of the business to be carried out;
- Names of the partners;
- The town and the place where the business will be carried out;
- The amount of capital to be contributed by each partner;
- Loans and advances by partners and the interest payable on them;
- The amount of salary drawn by each partner;

- Responsibilities and authority of each partner;
- Terms and condition for partnership termination and/or exit by a partner; and
- Any other terms and conditions to run the business.

In real life, many partnerships fail because the partners fail to clearly define the terms of responsibilities, authority and the compensation. Often, partnerships are formed between friends and relatives, and they feel hesitant to talk about these terms.

It cannot be emphasized enough that if you are considering a partnership, make sure you have a detailed agreement on roles, responsibilities, authorities, salaries and exit strategy right at the beginning of the business. Have a written, signed and witnessed agreement even if the partnership is between the best of friends or even family members.

When doing an agreement, you don't need to have a lawyer to define the terms of authority, role, responsibility and salary. You can simply do it by discussing with your partner/s. However, go to a lawyer to make sure it meets the legal requirements to be a binding agreement.

Concluding Questions

Question to ask the students: Often, no distinction is made by the entrepreneur between the business and himself/herself. What are the dangers in doing that?

Facilitator Tip

This leads to the owner co-mingling the business money with his or her own money that often results in an inaccurate picture of finances and resultant chaos.

It is important, therefore, to firmly impress upon the entrepreneur that business started by him/her is separate and distinct from the individual. In other words, the business has to have its own identity and structure. At the grassroots level, avoid using jargon like "Business is a separate Legal Person".

Important Question: If you want to start a partnership business, when is the appropriate time for having a written agreement among partners and why?

Have a written, signed and witnessed agreement even if the partnership is between the best of friends or even family members.

Tip: The best time is at the very beginning, since the relationships between partners are the most cordial then and everyone is willing to give and take, in the interest of the business and partnership.

Note to Facilitator

We have left out two Corporate Structures—Private Limited and Public Limited Company—from our discussions. This is because a majority of our participants would be interested only in the two types we have discussed.

However, if someone asks you about the Private Limited or Public Limited structures, you should have some basic knowledge. You may add that for further details, one would have to discuss with an Accountant or a Lawyer.

For your understanding and knowledge only, we are providing the following write up.

Private Limited Company

The governing provisions for a Private Limited Company are contained in The Companies Act, 1956. A private limited company must be appropriately incorporated with the Registrar of Companies (ROC). India being a vast country with several provinces, ROCs are located across the states and Union Territories. A company incorporated in any state of India can do business all over India.

The minimum paid up capital at the time of incorporation of a Private Limited Company is Rs.100,000. It can be increased any time, by payment of additional stamp duty and registration fees. A Private Limited Company must have a minimum of two and a maximum of 50 members as its shareholders. It must have minimum of two and a maximum of 12 directors. Where the paid-up capital is equal to—or exceeds—Rs.50 million, a company secretary must be appointed. The shareholders and directors need not be locals.

The liabilities of the shareholders are limited to the shares subscribed by them. A Private Company is prohibited from inviting the public to subscribe for any shares or debentures of the company. It is also prohibited from inviting or accepting deposits from persons other than its members, directors or their relatives. The shares can be transferred only among its members and it involves some restrictions.

A Private Limited Company has a separate legal identity. It is perpetual. Although the liabilities of the shareholders are limited, at times, the liability of a Director/Manager can be unlimited. Under the Companies Act, several

regulatory exemptions are granted to a Private Limited Company, such as exemption from filing prospectus with the Registrar, exemption from obtaining Certificate for Commencement of business, exemption from holding statutory meeting and statutory report, etc. Similarly, the directors of a private limited company do not face restrictions like those of the Public Limited Company.

A Private Limited Company is easy to set up and there are relatively less compliance requirements than a Public Limited Company. However, there are some limitations such as restrictions on share transfer. Notably the limited liability clause is undermined by the bankers and financial institutions, which are increasingly resorting to personal guarantee from directors of Private Limited Companies. Nevertheless, it is an ideal vehicle where the shares of the company will be closely held and where there is no requirement for more capital to be raised through public issue.

Public Limited Company

The regulatory provisions for this type of entity are contained in The Companies Act, 1956. A Public Limited Company must be registered with ROC.

A Public Limited Company is a Company limited by shares in which there is no restriction on the maximum number of shareholders, transfer of shares and acceptance of public deposits. The minimum paid-up capital for a Public Limited Company is Rs.500,000. A Public Limited Company must have a minimum of seven shareholders and a minimum of three to a maximum of 12 directors. Where the paid-up capital is equal to—or exceeds—Rs.50 million, a company secretary must be appointed.

The liability of each shareholder is limited to the extent of the unpaid amount of the shares' face value and the premium thereon in respect of the shares held by him. However, the liability of a Director / Manager of such a company can at times be unlimited. The shares of a company are freely transferable and that too without the prior consent of other shareholders or without subsequent notice to the company.

A company is a legally independent body; therefore it is perpetual, irrespective of death, retirement or insolvency of any of its shareholders. The shareholders do not have a right in managing the activities of the company. There is a clear separation of management and ownership and the company's Board of Directors are vested with the decision making power as per the rule of majority.

There are some strict compliance requirements for Public Limited Companies:

- It must have at least three Directors

- A prospectus or a statement in lieu of prospectus has to be filed with the Registrar of Companies before allotment of shares.
- It has to obtain a Certificate of Commencement of Business from the Registrar of Companies before it can commence business on incorporation.
- It has to hold a statutory meeting of members and file a Statutory Report with the Registrar of Companies.

It must be noted that the financial status of the company is public and requires public disclosure of its operational outcomes, hence there is no confidentiality. The regulatory regime is very strict for Public Limited Companies and the resultant compliance cost is also high. However, it is suitable for large scale businesses that require huge capital and allied resources. The ease of raising capital by issuing shares or through loans and ability to attract high quality talents to manage the company affairs, democratic management etc., make it an ideal format for large scale businesses.

.....

Optional Reading

- <http://www.entrepreneur.com/article/38822>
- <http://www.esupportkpo.com/images/Learning%20Pages%20-%20Articles%20-%20Types%20of%20Business%20Structures%20in%20India.pdf>

32. Excellence in Execution

If you are going to achieve excellence in big things, you develop the habit in little matters.

–Colin Powell

Learning Objective

- ✓ Understand SMART goal setting.
- ✓ Know and understand the fundamental principles of running a business successfully.

Session Plan

This session is applicable to all four levels of AEW. Recommended time allocation is as follows:

Activity..... 28 minutes
Conclusion.....: 2 minute

Activity #1:

- Ask the participants – “What do you understand by the word Goal?” You might get some vague definitions. Steer them towards giving you examples of goals – ask some of the participants and write down what they say on the board. After getting about seven to ten goals you can stop and start the discussion. Very often these goals are vague and not clearly defined.

Tip for the Facilitator

Observe if the examples given are really goals or just dreams – by checking against SMART criteria. (See the note below about GOAL setting and SMART goals. Impress upon the participants about the need for SMART goals.)

Goal Setting

Setting your goals is important for achieving success. Before starting your enterprise, first make a business plan. Check whether your business plan is **S.M.A.R.T.**

SPECIFIC: The plan should be SPECIFIC and clear. Ensure that the entrepreneur is clear in his mind on the type of business that he wants to start or position he wants to achieve. An example could be – “I want to start my two wheeler repair workshop within two years of obtaining my diploma in the year 2xxx.”

MEASURABLE: The investment, profit and loss should be measurable. Explain through an example of a manufacturing and a service industry. An example could be – “I want to achieve Profit after Tax of Rs. Ten lakhs in the third year of my business”.

ATTAINABLE: The goal should be such that it is possible to attain it. In other words, there should not be constraints beyond one’s control – like laws of nature or the country etc. As an example – if one does not like cooking but has a goal of starting catering service, it will not be an attainable goal. On the other hand, if one likes teaching and is knowledgeable, the goal of starting a coaching class is attainable or achievable.

REALISTIC: One should keep in mind the place, country, time, investment, finance and human resources etc. and then decide whether the business or the goal is practical or not. Building castles in the air will only be a hindrance in achieving success. What is an attainable goal at times becomes unrealistic due to constraints beyond one’s control or laws of nature etc. If one has just started a mango orchard, then the goal of selling 10 tons of mangoes in the third year is not realistic – due to gestation period or “laws of nature”, over which one has no control.

TIME BOUND: When explaining this point, highlight that the completion of every task should be time bound. Exceeding the time limit will have an adverse effect on one’s business in the long run. Adherence to time limits and commitments will increase trustworthiness amongst one’s clientele. Also, if it is not time bound, one may never know whether the goal has been achieved. A statement like “I want to obtain my Ph.D.” is not a goal; it is a dream. However, “I want to receive my Ph.D. within three years of my post graduate degree” is a time bound goal.

Activity #2

- Show the participants the following two equations and ask what the difference between the two is:

$$\textit{Revenue} - \textit{Expenditure} = \textit{Profit}$$

$$\textit{Profit} = \textit{Revenue} - \textit{Expenditure}$$

Hint to the Facilitator

The first one is a passive way of looking at things. It may be termed as an accountant's view of the profit, where a reporting is being done. The second one is an entrepreneur's way of looking at things, where a profit goal is being set and he/she determines what revenue is to be generated and what expenses are affordable to achieve the desired profit goal.

Activity #3

- Ask the participants to sit with the teams they have formed for the Business Plan preparation.
- Tell the teams to assume that they have already started their business (on the basis of the idea they have selected for the Biz Plan Competition).

Their task, as a team, is to identify and list various activities they will be doing on a day to day/regular basis to run the business successfully and achieve the goal. Ask them to remember the second equation. Give some examples of activities to make the point more clear – training workers, giving samples etc. *Please tell them that they are not to list activities for starting a business but for running it.*

- Give them seven minutes to come up with the list of activities.
- Meanwhile, you make four columns on the board, but don't give any heading for the columns. (You should know that the four columns are "Buy Low" "Sell High" "Take Care of Customer" and "Keep Good & Accurate Records").

- Ask one spokesperson from each team to state one activity. Place it in the appropriate column. It is possible that some activity can be listed under more than one column.
- Ask the other teams to tick the item if they have it in their list, thus avoiding duplication.
- Go from team to team and collect the activities and place them under the appropriate column on the board.
- You can stop after four or five rounds.
- You can seek help from your colleague to write, when you call out “Column No. x”.

At the end of the exercise, the board may resemble the following table:

Column 1	Column 2	Column 3	Column 4
Regular Maintenance	Advertise	Get Customer feedback	Verify Stock
Search for alternative raw material suppliers	Participate in exhibitions	Check mail from Customers	Maintain Inventory Record
Monitor Staff Attendance	Give Samples	Follow up	Maintain Personnel Record
Train the Staff	Educate Customers	Timely Delivery	Performance Review
Abide by Government Regulations	Introduce New Products	Attend to complaints	Keep Customer Record
Supervise Workers	Lookout for emerging markets	Send greeting cards to Customers	Write Cash Book
Get feedback from Employees	Get Certification		Review monthly accounts
Review meeting-Planning for the day	Timely Delivery		
Provide regular health checkup for the employees	Visit Institutions		

Column 1	Column 2	Column 3	Column 4
Hire transport	Inform Customers		
Upgrade Technology	E Commerce		
Pay wages on time	Contact Customer		

Now the discussions should be to get “appropriate headings” from the participants for the various columns.

- Ask what is common in the activities of column 1, what happens as a result of these or what are the “intended consequences” of these? You will get answers like – increased productivity, improved employee morale, lower wastage etc.
- Again ask “so what happens” and steer them towards “it reduces cost”. Then you can say – yes and we refer to it as the “Buy Low” principle.
- You can then similarly move to the other three by turn and establish “Sell High”, “Take Care of Customer” and “Keep True and Accurate Records”.

While explaining the four principles, keep the following points in mind so the principles are not interpreted narrowly.

Four Principles of Running a Business Successfully

Buy Low

- Control Cost of Procurement or Production
- Innovate to reduce cost
- Improve Continuously
- Find alternative sources
- Provide good training to reduce waste
- Use machines that provide higher productivity machines

To run a business successfully:

- * Buy low
- * Sell high
- * Satisfy customer needs
- * Keep accurate records

Sell High

- Sales revenue is equal to Quantity (volume) multiplied by Unit Price.
- Sell high does not necessarily mean selling at a higher unit price. It refers to selling larger quantities. In other words, it refers to increasing one's sales revenue and thus, increasing the total gross margin.
- At times, to increase sales volume (quantity of items sold) you may reduce unit price, but ensure that the total gross margin does not go down. Let us take an example.

The Unit Price of a product you are selling is Rs.10. The variable cost is Rs.5 per unit and hence Gross Profit is Rs.5 per unit sold. At this price you are able to sell 1,000 pieces per day. The total sales revenue would be Rs.10,000 a day and gross profit would be Rs.5,000.

The following table shows quantity sold at different prices and its impact.

	A	B	C
Quantity Sold per day	1,000	1,300	1,500
Unit Price (Rs)	10	9	8
Unit Variable Cost (Rs)	5	5	5
Gross Profit/Unit (Rs)	5	4	3
Total Sales Revenue (Rs)	10,000	11,700	12,000
Total Gross Profit (Rs)	5,000	5,200	4,500

From the above table we can conclude that higher quantity or higher unit price does not necessarily give higher total gross profit. Our efforts should be for higher total gross profit—that is the Sell High principle

Satisfy Customer Needs

- Provide Value
- Meet your commitment
- Provide Quality
- On time Delivery

- Honor your contract with the customer
- Lose an order (if necessary) but not your customer.

Keep True and Accurate Records

- Keep accurate records of cash, inventory, sales, returns etc. As soon as the business can afford a computer, keep records on the computer. Often, all you need is an Excel worksheet to keep your records.

Do make sure you keep a backup copy of the computer record on a memory stick.

- Keep customer records, i.e. sales by product or service type to be able to assess the trends.
- Get the “true” picture and don’t fudge your accounts; you may get deluded in believing the “lie”.
- Help measure performance by score keeping.
- Remember to keep all the record keeping simple so you can continue to maintain the records in a sustained manner and find them easy to understand and analyze.

Conclusion

- ✓ Every business has to have its goal – expressed in a SMART way. Based on the specifics of the goal – Profit volume, Sales Volume, Market Share etc. one draws up a plan of action and, while implementing it, undertakes many activities which collectively should lead to the achievement of the goal.
- ✓ While undertaking the various activities, which invariably involve costs (most of the time) or efforts in some cases (like greeting a customer with smile), one should question the impact of the activity and ensure that it falls under one or more of the four principles highlighted earlier that will help one achieve excellence and thus, success.
- ✓ It is important to remember that the principles apply to all businesses irrespective of size. The only thing that could be different is the nature and number of activities.

33. Inexpensive Ways of Promotion

Promotion is not always about just spending money on such items as advertising, discounting sale etc.; it is about creativity in making your promotion rupee and efforts do better.

Learning Objective

- ✓ Understand what promotion is and why we need to do it.
- ✓ Learn about various inexpensive ways to promote your product or service.
- ✓ Develop an Inexpensive Promotion Strategy for your product/service (as a part of your Biz Plan).

Session Plan

This session is applicable to all four levels of AEW and CMS.

Important Notes for the Facilitator

1. The opening part of this lesson is to make sure that all understand what is meant by promotion. Those without marketing or business background may have heard the word “promotion” only as a promotion at a job or a raise in salary.
2. More than other I Create sessions, this one is highly prop-dependent. Bring samples of good packaging and bad, good brochure and bad, good business card and bad. Have the participants identify the good ones and the bad ones and what specific characteristics make one good and the other bad.
3. Once you have explained each of the points, encourage the participants to come up with examples and stories in each case.
4. When explaining an item, there is nothing better than an example of a story you have *personally* experienced—whether a promotion or tag line you liked and why, or ones that you didn’t. You may not have stories for all the points to start with; just keep observing real life and build your inventory of stories and examples for this module.

Discussion

- Ask the participants what they understand by “Promotion”. As the session on the 7 P’s of Marketing would have been done before this, you are likely to get quick answers like “Promotion is advertising”, “Promotion is sampling”, “Promotion is offer schemes like 25% off, or buy one get one free” etc. The next question should be: “Why is promotion needed?” Answers you are likely to get may range from “making customers remember our product”, to “entice customer with savings”, or “educate customer about our product, price etc”.

Show appreciation of those who come up with good answers and tell them they are all valid and we will expound on them as we go along.

- Next question: “Has anybody learnt classical music?” “What is the first thing you are taught in classical music?”

Usually, the response will be: “The seven notes—Sa Re Ga Ma Pa Dha Ni”.

- Ask “What do these notes produce?” and you should get an answer like “melodious music”. You should ask and prod to get these answers.
- Make the entire group sing “Sa Re Ga.....” in chorus.
- Then pause and ask, “What is music to the ears of an entrepreneur?” and you would get answers like “sales”, “cash in the till” etc.
- You can now tell the participants, “We will make use of the same seven notes of music and apply it to understand the inexpensive ways of promotion.”

Activity

- We need seven teams. If the number of teams created on the first day are seven, then use those teams. Otherwise, reorganize the participants to make seven teams for this activity.
- Allocate one of the seven musical notes – Sa Re – to each team.
- Explain that each musical note stands for a Hindi word (except Packaging, which is now an accepted word in Indian languages) as follows:

SA-..... SAHITYA.....-DOCUMENTS
RE-..... RASA.....-STORIES
GA- GRAHAK-CUSTOMER
MA- MAADHYAM.....-MEDIA
PA- PACKAGING.....-PACKAGING
DHA-..... DHAMAKA-ENTHUSIASM
NI- NIYAM-DISCIPLINE



IMAGE COURTESY OF JNEWLAND / FLICKR.COM

Special note for non-Hindi classes

Where Hindi is not understood and Sa Re Ga is alien but people are comfortable with Do Re Mi Fa So La Ti, then the following is useful:

DO- -DOCUMENTS
RE- -REGULATION/BUSINESS DISCIPLINE
MI- -MEDIA
FA- -FUN & FROLICK
SO- -STORIES
LA- -LOYAL CUSTOMER
TI- -TOTAL PACKAGING

- Now, ask each team to think of different inexpensive ways in which to promote their product or service (but with the condition that the action has to somehow be related to one of the words or notes given above).

It is important to emphasize that a micro or small start-up business would have a limited budget for promotion and thus finding creative ways to use it is very important. Fortunately, there are ways to do it.

- Give some examples to make the point. For example:
 1. Preparing a brochure will fall under Sa (Sahitya or Document).
 2. Telling a story about the product—the origin, the endorsement of an important customer – Re (Rasa or Story).
 3. Remembering a customer’s birthday or offering personalized service to a customer – Ga (Grahak or Customer).
 4. Newspaper reporting about your healthy product – Ma (Maadhyam or Medium).
 5. Attractive Packaging – Pa (Packaging or Total Package).
 6. Treating your customer with warmth and enthusiasm, having special fun events on such occasions as Diwali etc. – Dh (Dhamaka, Enthusiasm or Fun & Frolic).
 7. Meeting Delivery Commitments – Ni (Niyam or Regulations or Business Discipline).

- Urge the teams to think outside the box and come up with many more actions that can be taken to promote the business (emphasize “inexpensive way”) and can be linked to the musical note assigned to the team. Give 10 minutes for this activity.
- Make seven columns on the board – each with one musical note as its heading. You can write the column heading.
- Ask each team to make a presentation about the inexpensive ways that they have thought of. List these points in the appropriate column. Ask for comments from other participants on the suggested points. Add to these, if more come up during discussions. (Total two minutes for each team).
- In about 15 minutes of this reporting and feedback, you would get quite a few inexpensive ideas of promotion.

You may get a board that looks something like this:

As they come up with items, such as brochure or packaging, show them samples you have brought and have a quick discussion on the aspects of the item that are good and those not good.

Sa	Re	Ga	Ma	Pa	Dh	Ni
Document	Stories	Grahak	Media	Packaging	Dhamaka	Niyam
Do	So	La	Mi	Ti	Fa	Re
Visiting Cards	Origin of Recipe	Greeting Customers	Sponsor a Sports event	Attractive colors	Diwali Sale	Deliver on time
Brochure	Unusual usage	Loyalty Program	Tree planting	Durable	Promo Offer	Shop opening time
Banner	Visit by Dignitary	Anniversary Wishes	Health camp	Print Website, Phone Number	Colorful and pleasant environment	Good inventory planning
Pamphlet	Historical Significance	Special Occasion	Student Scholarship	Expiry date	Warmly welcome the customer	Accurate weight & Count
Website	Connection to Mythology	Referral Bonus	Writing Articles	Ingredients		
Logo	Personal story		Press release	Certification info		Fair Price
Tagline						

There could be many more items on the board.

~~~~~  
**Please read the following important notes before the class.**

**SA: Sahitya or Documents**

Business documents are very important and you can promote your product very inexpensively with them. However, 'inexpensive' does not mean the quality should be poor. These business documents are very important:

- Business card
  - Letterhead
  - Brochure and flyers
  - Promotional items
  - Website (if possible)
1. Start with giving your business a name which speaks about the product you are selling. For example *Kishore's Computer Services*. Or *Aapka Pasand Achaar!* If you have a simple name, it is easier to remember the name and what products you are selling, and will help create brand recognition.
  2. Use a tagline. Example taglines: Coca-Cola—'*Thanda matlab Coca-Cola*', Philips—'*Sense and Sensibility*', Apple—'*Think different*', Nike—'*Just do it*', Amway—'*We are listening*', Adidas—'*Impossible is nothing*', Amul—'*Utterly, Butterly Delicious*', and Surf Ultra—'*Daag dhoondte reh jaaoge*'.

\*Ask the participants to come up with more tag lines\*

3. Create a logo for your company, this way customers can recognize your business.
4. Show some logos and ask the participants to recognize them.
5. Create an e-mail address.
6. Your brochure should be simple and easy to read and include photographs of your product. Don't pack your brochure with too much text.
7. Always carry your business cards and brochures. You never know when you'll meet potential clients.

8. Make promotional items like T-shirts, caps and shopping bags with your business name on it. Give it to your friends and family, so they can be your walking advertisement.

All your documents must have the following information:

- Business name, logo and tagline.
- Your own name and title (such as 'Manager Director' or 'President')
- Description of the product of service
- Address
- Phone number
- E-mail address
- Fax (if available,)
- Website address (if available)

**Re: Rasa (Stories)**

If you are producing '*Achaar*' (pickles) and you use your great grandmother's recipe that is a great story to put on the label. Something like, 'A recipe that has been a delight for over a hundred years'.

A visitor was at a handcraft store in Jaipur and was intrigued by the picture of an elephant, a camel and a horse all on one canvas. She was not sure whether to buy it or not. The shopkeeper added: 'According to Rajasthan culture, the elephant stands for love and remembrance, the camel represents perseverance in face of hard times, and the horse represents strength.' She loved the story and bought the picture immediately.

So, if you have a story around your product, make sure you use it. People often buy a product for the mystique that goes with it.

\*Ask the participants if they can think of stories with products\*

**GA: Grahak (Customers)**

Customers who come back to your store are the most important. We call them repeat customers. It is ten times more difficult to find new customers than it is to retain an existing one. A repeat customer is a good, live source of publicity for you.

How to keep your clients:

- Lose an order, not a customer. (This is an important statement. Ask for a simple example of this or please tell them one. One example: if a customer is asking for an unrealistic delivery date for an order, politely regret the order, since once you accept a delivery date, you want to make sure you deliver on time to keep your customer happy.)
- Try to remember the names of your customers, so when you see them, you can greet them with their names. Remember the sweetest word for any one is one's own name!
- To deal with an irate customer, stay very patient and listen to him/her.
- Ask for feedback and implement it.
- Respond to people and situations.
- Keep a list of your customers and remember them on special occasions such as birthdays, New Year etc.
- Remember that 20% of your customers bring 80% of your business.
- Exceed their expectations.

\*Ask the participants if they know inexpensive ways of keeping in touch with their customers.\*

It is ten times more difficult to find new customers than it is to retain an existing one.

#### **MA: Media**

Tell the participants, "It will be difficult to engage celebrities as a model to advertise your products (as of today, but maybe you could try it in the future!)". Then, ask them "So, how are you going to publicize your product or service on a low budget?"

Tell them that Press releases are one of the best ways to begin promoting your product/service. In fact, correspondents are required to produce a number of newsworthy stories if they want to keep their jobs. Of course, they will not publicize a commercial venture just because you want to. However, if there is an angle in your business that has some social, community or human interest, or an unusual twist, they would be happy to do a story and you get free publicity.

For example: I would like to draw the attention to the story of Kulsum Malik. She has a very successful business called 'Kayakalp' in Jaipur, as well as in many other parts of India. The uniqueness of her business is that she employs deaf

and mute girls because her father was born deaf and mute. That is a great story for the press to write about, at no cost to you.

Ask the participants if they know other business stories.

There are many different types of media, but these are the most important ones:

- Print: Newspapers, magazines and newsletters.
- Television: Commercial TV rates are expensive, but local cable stations are affordable.
- Radio: You can find radio stations that are willing to mention a young entrepreneur.
- The Internet: You can get a website of your own; this will give you the most publicity. Also, you can have a banner (small ad on the top/bottom of a webpage) on a different website, in exchange for a banner of their business on your website.

#### **PA: Packaging**

Reasons for providing good packaging to your product:

- Packaging makes a product visually more presentable; it transforms the product in terms of its visual appeal. Give the example of high end perfume bottles—how marketers are able to generate customer preference simply by attractive packaging.
- Packaging communicates to the customer in many ways; it displays the product and also instructs about the different ways of using it, whether it can be consumed by children, method of using, the ingredients it contains, expiry date and other certifications. But make sure you don't clutter the layout with too much text. (If possible, show examples of bad and good ones.)
- The package protects the product against damage or deterioration and makes it more durable. It withstands shocks during transport and shipping.
- Packaging should be easy to open and use; it should be tamper proof.

\*Example: One successful businesswoman, who has a specially blended spice-business, also includes a recipe inside the package. This is a very innovative and clever way to market ordinary spices\*

**DHA: Dhamaka (Excitement or Enthusiasm)**

As a businessperson, it does not cost anything to be enthusiastic about your product and how you handle your customers. It should not matter if your customer buys goods worth Re.1, or Rs.1,000. A smile on your face, a clean outfit and a well-turned out appearance does not cost much, but it tells customers that you really welcome them.

Greet your customers in the same way that you prepare to welcome a guest by cleaning your house, wearing good clothes and greeting them with a warm smile and a lot of enthusiasm. The cost of all this is negligible compared to the benefits.

We all have problems at home, sometimes an illness. But if you are with a customer, even if you are feeling down and not very enthusiastic inside, you must fake your enthusiasm!

\*Ask the participants if they know ways to show their customers they are enthusiastic about their business?\*

**NI: Niyam (Discipline)**

The most important aspects of discipline are:

**1. Always mean what you say:**

Be on time and never be late when you meet a customer. You should arrive five minutes early. Always open your shop at the times you said you are open, not even a single minute later.

Don't be forced to accept delivery dates of an order you just can't keep. When you say that the order will be ready, say, by Sunday 5PM, ensure you have it ready with you half an hour before, not 5 minutes late.

**2. Have a good inventory planning system:**

This way you can never run short of any item. However, when you do run short on a product or a certain packaging, make sure you let the customer know in advance and get his/her permission to use a different type of packaging, or give a discount unless he/she is willing to wait.

**3. Never misrepresent:**

For example, if you run a Beauty Parlor, if you are using a hair color that will last only three weeks, don't say, "Oh, you don't have to worry for four weeks.' You can always ask for a higher price when your quality, service or packaging is superior.

Often your customers are not going to pay a higher price for your product even if you say the quality is better, because they will compare your product with a similar one of cheaper quality elsewhere. We suggest that you also keep a few of the cheaper products and offer to sell those products at the same price as your competition. However, offer a higher-priced, higher-quality alternative as well, and point out the poor quality of the cheaper products to the customer.

---

## **Optional Reading**

### **Web links**

- Cheap and Effective ways to Promote your Business:  
<http://leatherspinsters.com/cheapandeffective.html>
- Inexpensive and free Marketing Ideas:  
<http://sbinfocanada.about.com/u/ua/marketing/marketingideas.htm>
- <http://www.entrepreneur.com/article/70822>

No matter what your product is, you are ultimately in the education business. Your customers need to be constantly educated about the many advantages of doing business with you, trained to use your products more effectively, and taught how to make never-ending improvement in their lives.

*Robert G Allen*  
*-Products-Knowledge-Marketing*



*"I am happy that I Create is offering a critical complementary piece to young men and women: training in entrepreneurship skills needed to be successful in their businesses..."*

*My best wishes to I Create for success in the mission of creating millions of job creators in our country during the next decade."*

**Dr. A P J Abdul Kalam**  
Former President of India

*"This has been an eye opener in how this method of teaching MUST be introduced in to regular teaching institutions. The pace never flags!"*

**Belinda Collaco**  
Editor of Target Goa  
(A TOT participant)

*"Your training was simple, interactive and comprehensive."*

**Benson Manya**  
Ministry of Agriculture, Government of Kenya  
(A TOT participant)



**Harsh Bhargava, Founder and President of I create, Inc.,** an MBA from Harvard Business School, is the President of Bankworld Inc. (a leading international management consulting company) having engaged in economic development projects in over 70 countries including in India. Harsh set up businesses in over 60 countries and was awarded the US President's "E" Award for Excellence International Business Development. He is the past president of Rotary International, in New Jersey and has been written about in many newspapers and magazines. He has designed and written entrepreneurship-training manuals. He has taught management subjects at Indian and US universities including Lehigh University's Global Institute and spoken at various educational institutions such as Wharton University etc.

**Ulhas Kamat, CEO, I Create India,** has been leading the strategic growth of I Create in India and abroad. He has brought innovative approaches to make I Create programs available to tens of thousands. One such initiative is our Cloud Campus, where any interested student can participate and learn about Entrepreneurship. Ulhas has been appointed as a Member of the Committee of Courses in Entrepreneurship by the Central Board of Secondary Education. He has been associated with many blue-chip companies across the globe. He was associated with the Minority Business Development Agency of the U.S. Government. He is a graduate of IIT Bombay and has undergone specialized training in Small Business Development at the Tuck School of Business, University of Dartmouth.



**Dr. Aruna Bhargava, Executive Director, I Create, Inc.,** is a published Author with nearly 30 years of development experience. In order to provide entrepreneurial role models to I Create's aspiring entrepreneurs in an innovative manner, and provide a learning and motivational tool, she interviewed dozens of Indian entrepreneurs who started from scratch and became successful entrepreneurs. The result was the much acclaimed book, *Everyday Entrepreneurs: The harbingers of prosperity and creators of jobs*. The 5th revised edition of this book is now out. The book and parts of it are available in several Indian and European languages. She is also the editor of I Create's inspirational book *Creating Job Creators: 101 Representative Success Stories of I Create Entrepreneurs*.

I Create India  
Bangalore, India  
Phone: +91 08 2340 9990  
E-mail: [icreateindia@gmail.com](mailto:icreateindia@gmail.com)

I Create, Inc.  
Global HQ, Washington, D.C, USA  
Phone: +1 703 448 1976  
E-mail: [icreateinc@gmail.com](mailto:icreateinc@gmail.com)



I Create, Inc.

Empowering through Integrated Entrepreneurship Training



Goa Commerce Association



I Create, Inc. and Network For Teaching Entrepreneurship (New York)

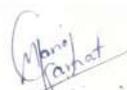
Recognize



As  
Having Successfully Completed  
Change The MindSet (CMS) program in **Entrepreneurship Development**  
Organised by **Carmel College of Arts, Science & Commerce for Women, Nuvem**  
& **I Create Goa (GCCCI)**

held from 24th - 28th October, 2015 at Carmel College , Nuvem

Dr. (Sr.) M. Aradhana A. C.  
Principal  
Carmel College, Nuvem

  
Dr Manoj S. Kamat  
President  
Goa Commerce Association

  
Manguirish N Pai Raiker  
President  
Goa Chamber of Commerce & Industry



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

### **MEMORANDUM OF UNDERSTANDING (MOU)**

Between

I Create India, Goa Chamber Of Commerce & Industry, Goa  
Commerce Association and Carmel College for Women, Nuvem-  
Goa

#### **1. Purpose**

The purpose of this Memorandum of Understanding (MOU) between I Create India (ICI), Goa Chamber of Commerce & Industry (GCCCI), Goa Commerce Association (GCA) and Carmel College for Women (Carmel College), Nuvem-Goa to inculcate a spirit of entrepreneurship among students and their catchment area to foster cooperation and partnership with small organizations, self help groups, women groups and small budding entrepreneurs thus helping the growth of entrepreneurship through training, mentoring and linkages in the State of Goa.

#### **2. Background**

##### **I CREATE**

- I Create India (I Create or IC) is a Non-Profit organization registered as a Trust with its Registered Office at 36/3, Sumeru Apartments, F-6, 4th Main, Vijaynagar Stage II, Bangalore 560104 and is affiliated to I Create, Inc. a Non Profit corporation incorporated in the State of Delaware, U.S.A.
- I Create is an award winning non-profit entrepreneurship & employability skills training organization and has technical partnership with New York based Network for Teaching Entrepreneurship (NFTE), a highly reputable international entrepreneurship training organization. I Create has been in existence for the last over 12 years and has centers in different parts of India (Kolkata, Jaipur, Baroda, Hubli, Bangalore, Mumbai, Rajkot, Delhi, Goa etc).



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

- I Create's mission has two parts: (i) economic empowerment of disadvantaged members of the society through entrepreneurial education, access to capital and mentoring, (ii) provide employability skills to poor communities.
- I Create has developed relevant resource material for imparting the training and has devised various techniques for effective training.
- I Create continues to develop and implement new and varied programs in furtherance of its mission and vision and impart international best practices tailored for Indian needs.

### GCCI

- Goa Chamber of Commerce & Industry (GCCI) is Goa's premier non-profit business, support-services and networking organization. It represents and liaises with SME's, Corporate Organizations and Government bodies.
- Its offices are conveniently situated in the heart of Panaji, Goa's Capital and also in the largest industrial estate at Verna.
- GCCI's vision is that of a sustainable Goa - a Goa where the economy is strong and sustainable. Its mission, therefore, is to put a thrust on programs and activities so as to act as a catalyst in developing the economy, trade, industry, commerce and the socio-economic conditions of Goa and the nation as a whole.
- To further the cause of improving the socio economic condition of the marginalized members of society in Goa, GCCI has identified entrepreneurship (as compared to seeking employment) as the focus area for intervention. For this purpose explores opportunities to form strategic alliance with organizations whose core competency is entrepreneurship development and training.
- As a part of this strategy, GCCI has already formed a Strategic Alliance and executed an MOU with I Create India and has started an I Create center known as I Create Goa.

### GCA

- Goa Commerce Association (GCA) is a cohesive group of commerce teachers, researchers and professionals practicing commerce in the state of Goa with multifarious objectives to serve as a



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

forum for the exchange of ideas, experiences; collection and dissemination of information on business, trade, commerce and management.

- GCA's vision is to promote research activities and to bring coordination in the Commerce and Management curriculum at the State level. The core activities of the GCA include organization of seminars, conferences, workshops, and meetings; promotion of research; providing technical assistance and consultancy to the clientele world and publication of books, journals and periodicals, etc.
- The endeavor of GCA is to provide basic analytical tool-kit for management so that scientific approaches may be used to implement commercial and managerial applications in Industry thus enable it enhance ability of practitioners for taking decisions in uncertainty by analysing kaleidoscopic aspects of the objects and problems.
- GCA believes that the State of Goa can grow entrepreneurship if values, structures and activities for entrepreneurship are widely accepted, appreciated and supported. It further believes that the regional promotion of entrepreneurial spirit and competence within education is a grass-root approach to promote the entrepreneurial learning of individuals, social settings and organizations.
- As part of their professional and extension activity GCA partners with GCCI and I Create India to serve as a forum to provide free techno-managerial assistance and consultancy with the help of expertise available within to promote entrepreneurship, entrepreneurship research and support the process of business creation.

### **Carmel Coliege for Women, Nuvem-Goa**

- Carmel College for Women, Nuvem-Goa is a Christian college, established in 1964 to fulfil the long felt need for an institute for higher learning for women in Goa on the site generously donated by Mrs. Thelma Da Costa Lourenco of Margao.
- Carmel College is a multi-faculty college offering quality education in Arts, Science, and Commerce and permanently affiliated to Goa University. It is managed by the Sisters of the Congregation of the Apostolic Carmel, a Roman Catholic Congregation, and is an excellent place for study and reflection.



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

Carmel College has made giant strides towards offering an all-round education to the budding young girls of the state, particularly of the village of Nuvem and wishes to evolve democratic and equitable mechanisms to ensure holistic improvement in Institutional capacities and functioning. The Institution is also committed to ensure end user satisfaction and benefit equity with grass root level stake holders.

### 3. Common Understanding

1. In furtherance of its aims and objectives and for the purpose of being able to provide access to training in Entrepreneurship Development to youth and Self Help Groups, through extension work in different parts of Goa, GCA and Carmel College wish to form a tie up with I Create Goa and I Create Goa is willing to enter in to such an arrangement.
2. GCA and Carmel College are interested in conducting the Change the Mind Set (CMS) program of I Create for the selected students of Carmel College.
3. GCA and Carmel College would together propose, plan, organize and coordinate the Business Plan Competitions at college / regional level, and take part in I Create's State & National Youth Business Plan Competition (NBPC) under the overall guidance of I Create India through I Create Goa Center of (GCCl).
4. GCA, GCCl and Carmel College would foster and promote entrepreneurship education in their respective locale to promote self-employment and entrepreneurship, more importantly try to develop positive attitudes and skills such as creativity and flexibility in younger people which will enable them cope up with the uncertainties in the labour market.
5. Launch appropriate strategies for entrepreneurship education, with clear objectives covering all stages of education. Such strategies should call for the active involvement of all relevant actors (public and private), and establish a general framework while defining concrete actions. The overall goal will be to ensure that young people can progress coherently in acquiring entrepreneurial competences across all stages of the education system.



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

### 4. Roles and Responsibilities

#### I CREATE

- a) I Create will continue to carry on its role and discharge its responsibilities as listed in the MOU between I Create and GCCI.
- b) I Create will conduct, in coordination with GCCI, Training of Trainers and Refresher Courses for the Master Trainers of the participating colleges and members of GCA.
- c) I Create will provide guidance and assistance to GCA and Carmel College, through I Create Goa (GCCI) in CMS program implementation and NBPC participation.
- d) Create / Lend content, allow use of its pedagogical tools and resources and be a part of the I Create Master trainer's network.

#### GCCI

- a) GCCI will coordinate with I Create the various training programs (TOT, Refresher Course) for the identified staff and other members.
- b) GCCI plans to have a TOT and Refresher conducted at least once a year.
- c) GCCI will also coordinate with GCA and Carmel College for smooth implementation of CMS program and NBPC participation.
- d) GCCI will develop (in consultation with I Create India) reporting requirements and frequency from GCA and Carmel College and ensure its compliance.
- e) GCCI and GCA will coordinate the Regional or State Level Business Plan Competition as per the guidelines from I Create India. This is part of CMS and NBPC Program.
- f) GCCI will provide GCA and Carmel College access to the pool of Master Trainers it has created.

#### GCA

- a) GCA will coordinate with various colleges interested in becoming a part of this effort of CMS and NBPC.



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

- b) GCA and GCCI will coordinate the Regional or State Level Business Plan Competition as per the guidelines from I Create India. This is part of CMS and NBPC Program.
- c) GCA will maintain close coordination with GCCI and Carmel College to ensure smooth implementation of the program.
- d) Ensure tactical, administrative and manpower support for entrepreneurship training and programs conducted by GCCI and I Create in Goa.
- e) GCA along with GCCI will evaluate the quality, results and the impact of the various entrepreneurship training and development programs conducted within the ambit of this MoU.

### **Carmel College**

- a) It will implement the CMS and NBPC program as per the guidelines issued by I Create.
- b) It will make good use of the I Create training (TOT and Refresher) by deputing capable and interested staff to participate.
- c) Selection of appropriate and suitable candidates for the CMS program.
- d) It will ensure that whenever resource material supplied by I Create is used, due acknowledgement is given to the source of the material.
- e) Ensure proper implementation of the program - Pre & Post Test, Conducting the CMS program as per guidelines, college level competitions, state level competitions etc.
- f) The college will endeavor to conduct at least one (1) CMS program and at least 1 outreach program.
- g) Ensure compliance with stipulated reporting to GCA and GCCI.
- h) Conduct all programs within the ambit of the MoU in strategic partnership with I Create, GCCI and GCA by ensuring that their respective logos are featured on the banners, certificates and the promotional material.



## I Create India

www.icreateincorporated.org

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

### 5. Expenses

1. All expenses necessary for conducting the CMS program in Carmel College - training material, honorarium for resource persons, conducting college level business plan competition etc will be undertaken by Carmel College.
2. Expenses connected with State level competition will be borne by GCCI.
3. I Create will take care of NBPC expenses - e.g. travel and stay to the NBPC location (as per the rules).
4. There is no fee or charges payable to I Create. However, GCCI agrees to reimburse I Create all reasonable out-of pocket expenses (like travel, stay etc) only for programs requested by GCCI.
5. An estimate of out-of pocket expenses will be provided by I Create to GCCI and concurrence obtained, prior to expending the money.
6. The GCA will provide its tactical, administrative and manpower support to the activities conducted within the ambit of this MoU without any financial liability to the colleges implementing the programs.

### 6. Validity

The validity of this MOU is for the period of three years after which it will be renewed automatically unless terminated at any time with one month notice by either party.

This Memorandum of Understanding between I Create India, GCCI, GCA and Carmel College College is entered in to on the 14<sup>th</sup> day of July, 2012.

For  
I Create

Ulhas Kamat  
CEO

For  
GCCI

Mangurish N Pal Raiker  
PRESIDENT

For  
GCA

Dr Manoj Kamat  
PRESIDENT

For  
Carmel College

Dr. Sr. M. Aradhana A.C  
PRINCIPAL

**CHANGE YOUR MINDSET (CMS) ATTENDANCE SHEET 2015-16**

| Sr No | Name                        | 24/10/15 | 25/10/15 | 26/10/15 | 27/10/15 | 18/10/15 |
|-------|-----------------------------|----------|----------|----------|----------|----------|
| 1     | Tendulkar Nishita Sadanand  | P        | P        | P        | P        | P        |
| 2     | Vaz Saviola                 | P        | P        | P        | P        | P        |
| 3     | Vaz Xenia Marilyn           | P        | P        | P        | P        | P        |
| 4     | Noronha Winnie              | P        | P        | P        | P        | P        |
| 5     | Pereira Anasha Matty        | P        | P        | P        | P        | P        |
| 6     | Sarah Martins               | P        | P        | P        | P        | P        |
| 7     | Inessa Mendonca             | P        | P        | P        | P        | P        |
| 8     | Lotliker Ria Rajan          | P        | P        | P        | P        | P        |
| 9     | Miranda Suzy Lurdina        | P        | P        | P        | P        | P        |
| 10    | Faria Venisha               | P        | P        | P        | P        | P        |
| 11    | Fernandes Queenie Piety     | P        | P        | P        | P        | P        |
| 12    | Christeen Isabella Raposo   | P        | P        | P        | P        | P        |
| 13    | Davis Vinitha T             | P        | P        | P        | P        | P        |
| 14    | Fernandes Princy Sharmaine  | P        | P        | P        | P        | P        |
| 15    | Mascarenhas Fenolea         | P        | P        | P        | P        | P        |
| 16    | Mendes Celvina              | P        | P        | P        | P        | P        |
| 17    | D'Mello Patricia Quiteria   | P        | P        | P        | P        | P        |
| 18    | D'Souza Fervilla Jomila     | P        | P        | P        | P        | P        |
| 19    | Fernandes Truvilla Angelina | P        | P        | P        | P        | P        |
| 20    | K.A. Malavika               | P        | P        | P        | P        | P        |
| 21    | Vaz Fatima Suzie            | P        | P        | P        | P        | P        |
| 22    | Gama Joyce                  | P        | P        | P        | P        | P        |
| 23    | Mokashi Safia Ashpak        | P        | P        | P        | P        | P        |
| 24    | Bahadur Radhika Khadak      | P        | P        | P        | P        | P        |

  
**Officiating Principal**  
 Carmel College of Arts, Science &  
 Commerce for Women  
 Nuvem - Goa.



**Mrs. Clare Noronha, Master Trainer instructing students during the CMS programme on 24<sup>th</sup> October 2015 in the College Auditorium.**



**Mr. Moses Fernandes and Mr. Cicero Silva, Master Trainers instructing students during the CMS programme on 26<sup>th</sup> October 2015 in the College Auditorium.**



**Ms. Smriti Bhabra, Master Trainer instructing students during the CMS programme on 27<sup>th</sup> October 2015 in the College Auditorium.**



**Ms. Sumathi Satardekar , Master Trainer instructing students during the CMS programme in the College Auditorium.**



**Mr. Cicero Silva, Master Trainer and Mr. Saesh Hegde, entrepreneur, judging the Business Plan competition, in the College Auditorium on the 28<sup>th</sup> of October 2015.**



**Participants of the CMS programme with the Principal Dr. Sr. Aradhana A.C, Mr. Cicero Silva and Mr. Saesh Hegde in the College Auditorium on the 28<sup>th</sup> of October 2015.**

**Department of Commerce  
Departmental Activities for 2016-17**

**Activity: Change the Mindset (CMS) Program**

Date: 2<sup>nd</sup> to 5<sup>th</sup> November, 2016

The Change the Mindset (CMS) Program of I Create was held from the 2<sup>nd</sup> to 5<sup>th</sup> November, 2016. The main aim of the program was to introduce the students to the idea of becoming entrepreneurs i.e. job creators rather than job seekers. The resource persons for the sessions were Ms. Clare Noronha, Mr. Cicero Silva and Mr. Rodney D'Silva. The CMS program ended with the presentation of business plan competition. The judges for the same were Mr. Janardhan Behare, Manager of RBL Bank, Margao and Dr. Sr. M. Aradhana A.C., Principal, Carmel College for Women. The first and the second place was won by Ms Seema Marakala of F.Y. B.Sc. and Ms Anaswella Fernandes of T.Y.B.Com. The CMS program was co-ordinated by Ms. Gladys D'Souza. The program was attended by 10 students.

Ms Seema Marakala later represented the college at the state level business plan competition held on the 24<sup>th</sup> November 2016 at Smartlink, Verna. She won the third place and was awarded cash prize of Rs. 2000 /- and an appreciation certificate.



*Jelina*  
Officiating Principal  
Carmel College of Arts, Science &  
Commerce for Women  
Nuvem - Goa.

**Activity: Change the Mindset (CMS) Program**

Date: 2<sup>nd</sup> to 5<sup>th</sup> November, 2016

The Change the Mindset (CMS) Program of I Create was held from the 2<sup>nd</sup> to 5<sup>th</sup> November, 2016. The main aim of the program was to introduce the students to the idea of becoming entrepreneurs i.e. job creators rather than job seekers. The resource persons for the sessions were Ms. Clare Noronha, Mr. Cicero Silva and Mr. Rodney D'Silva. The CMS program ended with the presentation of business plan competition. The judges for the same were Mr. Janardhan Behare, Manager of RBL Bank, Margao and Dr. Sr. M. Aradhana A.C., Principal, Carmel College for Women. The first and the second place was won by Ms Seema Marakala of F.Y. B.Sc. and Ms Anaswella Fernandes of T.Y.B.Com. The CMS program was co-ordinated by Ms. Gladys D'Souza. The program was attended by 10 students.

Ms Seema Marakala later represented the college at the state level business plan competition held on the 24<sup>th</sup> November 2016 at Smartlink, Verna. She won the third place and was awarded cash prize of Rs. 2000 /- and an appreciation certificate.



**Prinicpal Dr. Sr. Aradhana A.C., Dr. Sr. Maria Lizanne A.C, Vice Principal, Ms. Clare Noronha Master Trainer, Mr. Cicero Silva Master Trainer, Ms. Gladys D'Souza Co-Ordinator and Participants of the Change your Mindset Programme held from 2<sup>nd</sup> to 5<sup>th</sup> November 2015 in the College Auditorium**



*Change Your Mindset*(CMS)

# I Create Grassroots Entrepreneurship Facilitator Manual

**A Practical Guide Using Active Learning Methodology**

By:  
Harsh Bhargava  
Ullias Kamat  
Aruna Bhargava

Supported By Sir Dorabji Tata Trust and Allied Trusts

[www.icreateindia.org](http://www.icreateindia.org)





I CREATE INDIA

**I Create**  
**Grassroots Entrepreneurship**  
**Facilitator Manual**

**A Practical Guide Using Active  
Learning Methodology**

**Second Edition**

By

**Harsh Bhargava**  
**Ulhas Kamat**  
**Dr. Aruna Bhargava**

© 2013 I Create, Inc. All rights reserved.

**COPYRIGHT INFORMATION:**

I Create, Inc. has the copyright on this Manual. This manual contains material protected under International and Federal Copyright Laws and Treaties. Any unauthorized reprint or use of this material is prohibited. No part of this manual may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system without express written permission from I Create, Inc. For any one requesting use of part or whole of a chapter, please obtain written permission from I Create, Inc. by sending an email request to [lcreateinc@gmail.com](mailto:lcreateinc@gmail.com).

Cover Design

**Lens Interactive**

Website: <http://www.lensinteractive.com>

Email: [contactlens@lensinteractive.com](mailto:contactlens@lensinteractive.com)

Phone: +91 80 42042594, +91 99801 60026

## Thank You...

The technical content of the Manual is a product of over a year's labor of love but its physical production and translation in seven Indian languages would not have been possible but for the financial support provided by Sir Dorabji Tata Trust and Allied Trusts.

It is almost 10 years since the first Manual was created. Since then, I Create has developed an exceptional institutional capacity to create a powerful training program. This version of the manual is therefore not just a revision of the first manual but a complete overhaul. It incorporates feedback from the committed I Create Master Trainers who now have years of field experience.

We would like to acknowledge the contributions made by those who worked on the original manual and those who contributed to this version either in content or production. They are, in alphabetical order, Seema Agrawal, Venkatesh B.R, Erik Dauwen, Harvard Business School, Chitra Jagannath, Shwetha Kamat, Julie Kantor, Manindra Kapoor, Vijay Kapoor, Jayanthi Laxman, Sameesh Makhija, Steve Mariotti, Ranju Mehta, Ashok Mohanty, Sreoshi Moitra, Chandan Nandi, Network for Teaching Entrepreneurship (NFTE), Joseph Pius, Sehgal Foundation, Sandeep Sethi, Gopal Singh, Sunil Suresh, Anjana Tandon, and Tejaswani Venkatesh.

We wish to thank the thousands who have participated in various I Create workshops, seminars, and classes and provided their feedback. This feedback has been invaluable and has permitted us to create modules for different categories of audience from semi-literate rural women to unemployed college graduates, MBA level students and those in between.

One of the outcomes of the feedback has been that there is a great appreciation of I Create's participatory methodology and absence of theoretical content prevalent in the other entrepreneurship programs in the country. In fact, some of the teachers and professors from schools and colleges have adopted I Create methodology to their regular school and college subjects with incredible results in terms of absorption and retention of learning by the students.

We have done internet research for appropriate quotes and optional reading. Where the information about the source was identified, we have acknowledged them individually. For those we were unable to identify, we thank them.

Thank you all.



## Table of Contents

|                                                                                  |     |
|----------------------------------------------------------------------------------|-----|
| DEDICATION .....                                                                 | iii |
| About the Manual .....                                                           | v   |
| 1. Methodology .....                                                             | 1   |
| 2. What Makes An Entrepreneur? Entrepreneurial Traits.....                       | 13  |
| 3. Entrepreneurial Stories .....                                                 | 21  |
| 4. Women and Business: Challenges & Solutions.....                               | 37  |
| 5. Why Businesses Struggle .....                                                 | 41  |
| 6. Idea to Execution: Essential Steps .....                                      | 45  |
| 7. Idea Generation – Newspaper Exercise.....                                     | 53  |
| 8. Idea Generation: Hobbies, Skills, Opportunities, Problems and Solutions ..... | 57  |
| 9. Moving Up the Value Chain .....                                               | 63  |
| 10. Franchising.....                                                             | 69  |
| 11. Types of Businesses & Their Characteristics.....                             | 77  |
| 12. Homework for Business.....                                                   | 81  |
| 13. The Marketing Mix: 7 P’s of Marketing .....                                  | 89  |
| 14. Pricing.....                                                                 | 95  |
| 15. Business Arithmetic: Overview.....                                           | 101 |
| 16. Cash Book – What, How and Why .....                                          | 103 |
| 17. Types of Costs.....                                                          | 115 |
| 18. Unit of Sale, Unit Cost and Unit Price .....                                 | 121 |
| 19. Income Statement & Break Even Analysis.....                                  | 127 |
| 20. Savita Saree Shop .....                                                      | 139 |
| 21. Cash Flow Projections.....                                                   | 145 |
| 22. Business Plan: Why & How .....                                               | 155 |
| 23. The Power of Networking.....                                                 | 169 |
| 24. How to Network Effectively.....                                              | 175 |
| 25. Negotiation.....                                                             | 181 |
| 26. Expanding Markets — A Learning Game .....                                    | 187 |
| 27. Intrapreneurship: Advanced Employability Skills .....                        | 193 |
| 28. Communicating for Success in Business .....                                  | 195 |
| 29. Sources of Funds.....                                                        | 201 |

---

|                                         |     |
|-----------------------------------------|-----|
| 30. Quality: What, Why and How .....    | 209 |
| 31. Business Structures .....           | 215 |
| 32. Excellence in Execution .....       | 223 |
| 33. Inexpensive Ways of Promotion ..... | 231 |

## DEDICATION

This manual is a gift to you, the facilitators. The word facilitator is used in a generic sense and includes all teachers, professors, instructors and master facilitator, who play a very important role in creating a new, prosperous India by teaching their students, be it in an educational institution or outside it, to become entrepreneurs - to become job creators instead of job seekers. You, the facilitators, are the architects of India's prosperity. You will mold the minds of the young and not so young, motivate and train them to become strong, self-confident, honorable entrepreneurs who will not only become successful and wealthy themselves but who will also give generously to those who are less fortunate than they are.

I Create programs are highly interactive. When students actively participate in the training, they learn more. Therefore, please encourage your students to ask questions and to participate. Always make sure your comments are encouraging. Use props and audiovisuals. Avoid the lecture format. Above all, try to make it a fun learning experience.

We wish you all the best.

Harsh Bhargava  
President  
I Create, Inc.

Dr. Aruna Bhargava  
Executive Director  
I Create, Inc.

A successful person is one  
who had a chance and took it.

*-Anonymous*



## About the Manual

Teaching is more than imparting knowledge, it is inspiring change.

Learning is more than absorbing facts, it is acquiring understanding.

This manual is the upgraded and enhanced version of the previous one. This is a tool for you, the Facilitator. You have undergone I Create's Training of Trainers (TOT) program. You have experienced firsthand I Create's interactive methodology. This manual is developed to help you conduct the sessions in a similar fashion and be an effective Change Agent.

### Structure and Content

The manual is for use by the Facilitators primarily for the "Aspiring Entrepreneurs' Workshops" (AEW), and for "Change the Mind Set" (CMS) programs in the educational and vocational institutions. What follows is an explanation of the structure of the manual, content to be covered in the various programs, the levels in each, and the duration for each.

#### Aspiring Entrepreneurs Workshop (AEW)

This program is conducted for those who want to consider starting their own businesses. In many cases, participants already have some skills and/or hobbies which they could convert into businesses. Typically, the program would run for 3 to 5 days. Those who then start their own businesses also end up becoming Job Creators, who are much needed for the prosperity of the country.

AEW has been categorized into four different levels based on the level of education of the participants (from semi-literate, as some women, and members of self-help groups are, to the educated unemployed youth), presence of skills and/or hobbies, and prior business experience etc. **Table A** summarizes these four groupings.

**Table B** provides the topics to be covered for each group and the duration of each. You may have a group that falls in between any two levels of this classification. In such a case, please use your discretion to decide on the sessions and the time allocation.

The topics in **Table B** are grouped in the I HOPE Mantra sequence, and not in the order they are to be covered during the workshop. The order to be covered in the actual workshop (i.e., Agenda/Time table) is left for the Facilitators and the Centre Director to decide.

A suggested Agenda/Time table is provided as a guideline in **Table C**. (It is recommended that the agenda need not be given to the participants but briefly explained at the beginning of the workshops.)

### **Change the Mind Set (CMS)**

This program is conducted for Educational Institutions where the main focus is to motivate and help students learn practical entrepreneurship and employment skills. It allows them to consider entrepreneurship as a viable career alternative to seeking jobs. The program is conducted using I Create's unique motivational methodology and award winning practical curriculum of over 40 periods (spread over 1-2 semesters) or for one week of camp-style learning.

Our teaching, or more importantly the learning by the participants, takes place in intense participatory manner, with group exercises, learning games, and preparation and presentations of Business Plans. The BUSINESS PLAN Part of both AEW and CMS program is devoted to preparation of business plans by the participants. This is a very important feature of our training for the following reasons:

During the process of preparing a business plan, all the learning of the participants, be it marketing, finance, selling, product identification etc., comes together. This is where they start to put all the lessons learned into practice.

This is a group activity where participants learn to work together as a team and learn from each other.

The teams are required to present their business plans using computer based presentations wherever possible in front of a large group of peers and other invitees—often for the first time in their life. It helps build confidence in their oral communication abilities.

### **Entrepreneurship Awareness Programs (EAPs) and Refreshers**

The EAPs are generally 2 to 3 hours in duration. We recommend the following sessions, mostly from the Manual, for the EAP programs:

General information about I Create as a whole and Entrepreneurship development program (You could show I Create's 7-minutes video if

have facilities there. If not, we can provide you a short slide presentation or write up.)

Like any other I Create event, please display I Create posters, press clippings and photos at the entrance.

I HOPE Mantra from the Module

Story from Everyday Entrepreneurs (whichever is most appropriate for the group) or some other inspirational local entrepreneur story.

Alternatively, or in addition, you may use the Types of Costs session to give a flavor of our methodology. Giving a sample of our methodology is critical.

Most importantly, make it fun and participatory and NOT a lecture program.

Ask and encourage participants to ask questions during each session.

Bottom line: Make it a motivational experience!

### **Refreshers**

These are extremely important both as a follow up to the AEWs in general, and also for covering any specific areas the participants want covered again—often a Business Math area module.

There could be up to two refreshers after each AEW but there should be at least one, within 30 days of the AEW.

### **VAK Learning Styles**

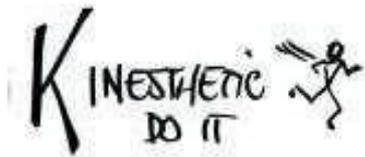
A brief note on Neil Fleming's VAK model covering Visual, Auditory and Kinesthetic—also known as tactile—meaning related to touch or feeling.



Visual Learners—Visual learners are those who generally think in terms of pictures. They often prefer to see things written down in a handout, text or on the overhead. They find maps, graphs, charts, and other visual learning tools to be extremely effective. They remember things best by seeing something written.



Auditory Learners—Auditory learners are those who generally learn best by listening. They typically like to learn through oral presentations, discussions, and reading aloud. They remember best through hearing or saying items aloud.



Kinesthetic Learners—Kinesthetic, also called tactile learners are those who learn best through touching, feeling, and experiencing that which they are trying to learn. They remember best by writing or physically manipulating the information.

During the I Create TOT program, you have seen and experienced the methodology catering to all three types of learning processes employed for high knowledge retention. Let us keep it that way.

## **Lesson plan format**

The session plan format in the following pages includes learning objectives, special tools and props, activities and time allocation. You will also see some additional material incorporated in the form of optional further reading by way of useful links.

Please remember that the manual is to support your teaching effort and not as the primary teaching toolkit for a new Facilitator. All I Create Facilitators must go through the TOT where they have seen and experienced the methodology being practiced. So when you facilitate, we urge you to follow the same pattern. You may make some local variations in the style, time, humor, wit, stories, appropriate for the topic or for the target group and local situation.

Please never use humor that is either disrespectful or hurts any particular community, group, religion, region, handicapped community or gender. The basis of our offering is to treat all with respect and provide an experience to the participant that is uplifting, inspirational and empowering.

*–Harsh Bhargava*

**Video clips of some of the TOT sessions have been uploaded to I Create Cloud Campus – Educator Circle and more will be uploaded with time.** These are for your use – to refresh the techniques and methodologies in preparation for your sessions.

As much as the content and level are important to the I Create program, I Create’s methodology is central to the learning experience. A separate section on the methodology follows. If any section in this manual needs your prime attention, it is that.

Best Wishes for becoming an effective Facilitator and a Change Agent.

Ulhas Kamat  
CEO, I Create India  
Bangalore



# 1. Methodology

The purpose of leadership is to  
build more leadership.

–Nikki Giovanni, African American Poet

As much as the content of our program is central to it, the methodology of how we deliver the program is equally central. One way to sum up our methodology is in the term we use for our Master Trainers. We call them Facilitators and not instructors. The difference is explained in the following quote from **Bill Wild, Director of the Life Cycle Institute:**

*“Use of the term **Facilitators** acknowledges that in addition to being experienced authorities on their topic, they have a passion for teaching and have developed this passion into a set of learning facilitation skills.*

*An **Instructor** is a content resource. Most content experts share their knowledge through writing or lectures. When they instruct, they appear as the “sage on the stage” imparting all knowledge to a passive participant. They control what is taught and when. A Facilitator, on the other hand, is a process manager first, a content resource second.*

*Facilitators use their knowledge of how people learn to create an active environment that embraces participants’ prior knowledge and unique learning style. When they facilitate, they appear as a ‘guide by the side’ encouraging the sharing of knowledge by and with an active participant.”*

As Facilitators at I Create classes and workshops, you carry a heavy responsibility of inspiring the participants to share knowledge interactively in an environment that is respectful of the opinions of all and yet draws the truth in a manner that all in the class understand; such that it promotes a motivational learning environment and where everyone is able to share with no fear of being chastised or looked down upon.

You have seen this I Create methodology at the TOTs. Let us now recap the specific points here.

**3 Ps** – You should **plan** your session, **prepare** yourself and **practice** your session beforehand.

Start by asking questions and thus making the participants feel involved.

Encourage the participants' active participation – a round of applause or a small chocolate for the first answer, or a different view point or alternative answer works wonders.

Be on the lookout for the shy participants and draw them out (without making them feel awkward).

Have a few appropriate anecdotes and humorous incidents (all very brief) to share.

Avoid using jargon and big words.

Remember the Keep It Short and Simple (KISS) principle. Remember it is not a place to show off how much you know but to provide the information that has practical value and nothing more. Read up more than what you need to share; but do not off load all that you know on the participants.

Use props—samples of products, packages, clippings, photos, graphs—to ensure better learning.

Do not always go to the same person for answers – encourage participation by all.

Be punctual and manage time well.

When an interesting question – but not really connected with the topic or appropriate for the level – comes up, try to put it on the “parking lot” and move on with the topic at hand. But do not forget to address it later on.

Do not be overly dependent on PowerPoint or such other tools. Use them for summing up. (Please be sure to follow the guidelines on doing a PowerPoint, provided elsewhere.)

Be a good communicator. Joining a Toast Masters Club in your town could be a good way to improve your skills in this area.

Be cognizant of your body language and avoid the kind that will create a wall between you and the participants. Move around the class and make eye contact with individual participants, always keeping a pleasant expression.

Be respectful to all your participants.

Handle a difficult person (you will always have one or two) with more tact than sternness.

If a particular method of explanation does not get the point across, try another way and not repeat the same one.

Be energetic and enthusiastic in the class. It rubs off.

Finally, relax and enjoy! It just comes out better that way.

**Please Note:**

- ✓ Visual and other Support: We will be uploading video recordings of TOT sessions, any useful links found on YouTube, additional reading material etc. on our I Create Cloud Campus. You can visit the site to refresh the module or to enhance your knowledge of the content.
- ✓ While we have indicated the timing for each of the sections within a module, the facilitator should treat that as indicative only. If the flow of discussion or activity or Q and A requires more time for the good of the class, the facilitator should feel free to adjust the timing.
- ✓ We have tried to pick simple quotes and placed them on the top of the modules. The purpose is bringing one key thought central to the learning objective of the lesson. You can simply write that on the blackboard and leave it there during the entire session.
- ✓ If you think you have a quote that is more suitable, please send it to us for review.
- ✓ Just like the quote, please do share with us any idea or suggestion for any part of the module that you identify when doing the training. Write your suggestions to the administrator at I Create Cloud Campus and send a copy to [icreateinc@gmail.com](mailto:icreateinc@gmail.com).



Be respectful  
to all your  
participants.

**TABLE A: AEW Levels & Characteristics of Participants**

| Characteristics           | Level 1                                                                                 | Level 2                                                                                 | Level 3                                                                                      | Level 4                                                                                 |
|---------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Education                 | Semi –literate but numerate.                                                            | Primary Education & numerate.                                                           | Secondary education or above and numerate.                                                   | Numerate & any level of literacy; Struggling Entrepreneurs.                             |
| Skills                    | May or may not have skills; no formal skills training.                                  | May or may not have skills; no formal skills training.                                  | ITI training; different skills like handicrafts tailoring, tool making, food processing etc. | Some may have skills, but not all.                                                      |
| Socio-Economic background | Rural, Urban Slum Dwellers, below or at about poverty line.                             | Rural, Urban or Peri-urban, below or at about poverty line.                             | Rural, Urban or Peri-urban.                                                                  | Mostly urban; middle class.                                                             |
| Group or Organizations    | Members of Self Help Groups, NGOs, Youth and women organizations.                       | Members of Self Help Groups, NGOs, Youth and women organizations.                       | Members of Self Help Groups, NGOs, Youth and women organizations.                            | People who have started some business but with no—or limited— training.                 |
| Gender                    | Either common or separate groups.                                                       | Either common or separate groups.                                                       | Either common or separate groups.                                                            | Either common or separate groups.                                                       |
| Age                       | 18 and above. No upper limit. But the groups could be generally of the same generation. | 18 and above. No upper limit. But the groups could be generally of the same generation. | 18 and above. No upper limit. But the groups could be generally of the same generation.      | 18 and above. No upper limit. But the groups could be generally of the same generation. |

| Characteristics  | Level 1                                                                                                                                                                | Level 2                                                                                                                                                                                | Level 3                                                                                                                                            | Level 4                                                                                                      |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Expected outcome | Some will think in terms of starting business using their skills and will work on a Biz plan with the help available. Others may hone their skills and get employment. | After the AEW training, or simultaneously, some would plan on acquiring skills and then move to start their own enterprise. Others may hone their skills to be able to get employment. | Some will work on to start their own business and for that will prepare their Biz plan. Others may hone their skills to be able to get employment. | Those whose business has been faltering with no idea why and how will now be able to take corrective action. |

**TABLE B: Recommended Topic & Time Allocation**

| Sl. No.                                          | TYPE OF PROGRAM                             | CMS                          | AEW                               | AEW                                     | AEW                                              | AEW                                                                |
|--------------------------------------------------|---------------------------------------------|------------------------------|-----------------------------------|-----------------------------------------|--------------------------------------------------|--------------------------------------------------------------------|
|                                                  |                                             |                              | Level 1                           | Level 2                                 | Level 3                                          | Level 4                                                            |
|                                                  | <b>Beneficiary</b>                          | <b>Students age 17 to 23</b> | <b>Semi-literate but numerate</b> | <b>Primary Education &amp; numerate</b> | <b>Secondary education or above and numerate</b> | <b>Numerate &amp; level of literacy (Struggling Entrepreneurs)</b> |
| <b>TOPICS &amp; Time Allocation (in minutes)</b> |                                             |                              |                                   |                                         |                                                  |                                                                    |
|                                                  | Pre Test                                    | 45                           |                                   |                                         |                                                  |                                                                    |
| <b>About I Create</b>                            |                                             |                              |                                   |                                         |                                                  |                                                                    |
| 1.1                                              | I Create History, Mission & Methodology     | 15                           | 15                                | 15                                      | 15                                               | 15                                                                 |
| 1.2                                              | About CMS & NBPC Program                    | 30                           |                                   |                                         |                                                  |                                                                    |
| <b>About Entrepreneurship</b>                    |                                             |                              |                                   |                                         |                                                  |                                                                    |
| 2.1                                              | What makes an Entrepreneur?                 | 45                           | 30                                | 45                                      | 45                                               |                                                                    |
| 2.2                                              | Entrepreneurial Stories                     | 45                           | 30                                | 45                                      | 45                                               |                                                                    |
| 2.3                                              | Women and Business – Challenges & Solutions |                              | 30                                | 45                                      | 45                                               |                                                                    |
| 2.4                                              | Why Businesses Struggle                     |                              |                                   |                                         |                                                  | 45                                                                 |
| <b>Idea to Execution</b>                         |                                             |                              |                                   |                                         |                                                  |                                                                    |
| 3.1                                              | Idea to Execution (I HOPE)                  | 45                           |                                   | 45                                      | 45                                               | 45                                                                 |
| <b>Idea Generation</b>                           |                                             |                              |                                   |                                         |                                                  |                                                                    |
| 4.1                                              | Idea Generation: Newspaper Exercise         | 45                           |                                   |                                         | 45                                               |                                                                    |
| 4.2                                              | Idea Generation: Problem and Solution       | 45                           | 30                                | 45                                      | 45                                               | 45                                                                 |
| 4.3                                              | Moving up the Value Chain                   |                              |                                   |                                         | 30                                               | 30                                                                 |
| 4.4                                              | Franchising                                 |                              |                                   |                                         | 30                                               | 30                                                                 |
| <b>Homework</b>                                  |                                             |                              |                                   |                                         |                                                  |                                                                    |
| 5.1                                              | Types of Business & Their Characteristics   | 45                           | 30                                | 45                                      | 45                                               | 45                                                                 |
| 5.2                                              | Home Work: Market Research & other research | 45                           | 30                                | 45                                      | 45                                               | 45                                                                 |

|                            |                                        |    |    |    |    |    |
|----------------------------|----------------------------------------|----|----|----|----|----|
| 5.3                        | The Marketing Mix                      | 45 | 30 | 45 | 45 | 45 |
| 5.4                        | Pricing                                | 30 |    | 30 | 30 | 30 |
| <b>Business Arithmetic</b> |                                        |    |    |    |    |    |
| 6.1                        | Cash Book – What, How and Why          | 45 | 45 | 45 | 45 | 45 |
| 6.2                        | Types of Costs                         | 45 | 45 | 45 | 45 | 45 |
| 6.3                        | Unit of Sale, Unit Cost and Unit Price | 30 | 45 | 45 | 45 | 45 |
| 6.4                        | Income Statement & Break Even Point    | 90 | 45 | 45 | 45 | 45 |
| 6.5                        | Cash Flow Statement –How and Why       | 45 | 45 | 45 | 45 | 45 |
| <b>Business Plan</b>       |                                        |    |    |    |    |    |
| 7.1                        | Business Plan –Why and How             | 45 | 30 | 45 | 45 | 45 |
| <b>Execution</b>           |                                        |    |    |    |    |    |
| 8.1                        | Power of Networking (Part I)           | 45 | 30 | 45 | 45 | 45 |
| 8.2                        | How to Network Effectively (Part II)   | 45 |    |    | 45 | 45 |
| 8.3                        | Negotiation                            | 45 | 30 | 45 | 45 | 45 |
| 8.4                        | Expanding Markets – A learning game    | 45 | 30 | 30 | 30 | 30 |
| 8.5                        | Communicating for success in business  | 45 | 30 | 30 | 30 | 30 |
| 8.6                        | Intrapreneurship                       | 45 |    |    |    | 45 |
| 8.7                        | Sources of Funds                       | 45 | 30 | 30 | 30 | 30 |
| 8.8                        | Quality: What, Why and How             | 45 | 30 | 30 | 30 | 30 |
| 8.9                        | Business Structures                    | 45 | 30 | 30 | 30 | 30 |
| 8.10                       | Excellence in Execution                | 45 |    | 30 | 30 | 30 |
| 8.11                       | Inexpensive ways of promotion          | 45 | 30 | 30 | 45 | 45 |

| Business Plan Selection/Presentation |                             |              |               |               |               |               |
|--------------------------------------|-----------------------------|--------------|---------------|---------------|---------------|---------------|
| 9.1                                  | Working on Business Plan    |              | 225           | 345           | 345           | 300           |
| 9.2                                  | Biz Plan                    |              |               |               |               |               |
|                                      | Competition or presentation | 180          | 105           | 105           | 105           | 105           |
|                                      | Post Test                   | 45           |               |               |               |               |
|                                      | <b>Total Minutes</b>        | <b>1,500</b> | <b>1,050</b>  | <b>1,425</b>  | <b>1,590</b>  | <b>1,455</b>  |
|                                      | <b>Number of Days</b>       | <b>5</b>     | <b>3 to 4</b> | <b>4 to 5</b> | <b>4 to 5</b> | <b>4 to 5</b> |
|                                      | <b>Number of Hours</b>      | <b>25</b>    | <b>18</b>     | <b>24</b>     | <b>27</b>     | <b>25</b>     |

**NOTES:**

- ✓ Topics to be covered for different levels are grouped under appropriate categories.
- ✓ This is not the sequence for covering topics. Please see **Table C** for the recommended sequence.
- ✓ We recommend that MTs and Directors modify the time table to meet the local conditions, as appropriate.
- ✓ Please form teams on day one by mid-day and have them start thinking of their business idea.
- ✓ Try to get one person of finance/accounting background in each of the groups, where possible.

**TABLE C-1: Recommended Agenda (Time Table) – AEW Level 1**

| Sessions               | Day 1                                                                               | Day 2                                                   | Day 3                                            | Day 4                          |
|------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------|--------------------------------|
| Duration<br>15 minutes | Registration                                                                        | Recap                                                   | Recap                                            |                                |
| 30 minutes             | Inaugural<br>Function; Faculty<br>Intro, About I<br>Create, Mission<br>(15 minutes) | Types of Costs<br>(45 minutes)                          | Cash Flow<br>Statement–How &<br>Why (45 minutes) | Working on<br>Business<br>Plan |
| 30 minutes             | Power of<br>Networking Part 1                                                       | The Marketing Mix                                       | Quality: What,<br>Why & How                      |                                |
| 30 minutes             | What makes an<br>Entrepreneur?                                                      | Unit of Sale, Unit<br>Cost & Unit Price<br>(45 minutes) | Sources of Funds                                 |                                |
| 15 minutes             | BREAK                                                                               | BREAK                                                   | BREAK                                            |                                |
| 30 minutes             | Idea Generation:<br>Problem and<br>Solution                                         | Inexpensive ways<br>of Promotion                        | Women & Business<br>– Challenges &<br>Solutions  |                                |
| 30 minutes             | Business Plan –<br>Why & How &<br>Team Formation                                    | Income Statement<br>& Break Even Point<br>(45 minutes)  | Accounts Revision                                |                                |
| 45 minutes             | LUNCH                                                                               | LUNCH                                                   | LUNCH                                            |                                |
| 30 minutes             | Negotiation                                                                         | Expanding Markets<br>– A learning game                  | Communicating for<br>success in business         | Biz Plan<br>Competition        |
| 30 minutes             | Cash Book –<br>What, How and<br>Why<br>(45 minutes)                                 | Business Structure                                      | Guest Speaker                                    |                                |
| 15 minutes             | BREAK                                                                               | BREAK                                                   | BREAK                                            |                                |
| 30 minutes             | Types of<br>Businesses & their<br>Characteristics                                   | Entrepreneurial<br>Stories                              | Working on<br>Business Plan                      |                                |
| 30 minutes             | Home Work:<br>Market Research<br>& Other Research                                   | Guest Speaker                                           |                                                  |                                |

**Note:** This is only indicative. Please draw up your agenda – knowing your audience and local conditions.

**Table C-2: Recommended Agenda (Time Table) – AEW Level 2**

| Sessions Starting (Time: 9:30 am) | Day 1                                                                   | Day 2                                       | Day 3                                            | Day 4                                     | Day 5                    |
|-----------------------------------|-------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------|-------------------------------------------|--------------------------|
| Duration 15 minutes               | Registration                                                            | Recap                                       | Recap                                            | Recap                                     |                          |
| 45 minutes                        | Inaugural Function; Faculty Intro, About I Create, Mission (15 minutes) | Home Work: Market Research & other research | Cash Flow Statement – How & Why                  | Excellence in Execution (30 minutes)      |                          |
| 45 minutes                        | Power of Networking – (Part 1)                                          | Types of Costs                              | Quality: What, Why & How (30 minutes)            | Factors Affecting Pricing (30 minutes)    |                          |
| 45 minutes                        | What Makes an Entrepreneur?                                             | The Marketing Mix                           | Business Structure (30 minutes)                  | Women & Business – Challenges & Solutions | Working on Business Plan |
| 15 minutes                        | BREAK                                                                   | BREAK                                       | BREAK                                            | BREAK                                     |                          |
| 45 minutes                        | Idea to Execution (I HOPE)                                              | Unit of Sale, Unit Cost & Unit Price        | Entrepreneurial Stories                          | Accounts Revision                         |                          |
| 45 minutes                        | Business Plan – Why & How & Team Formation                              | Inexpensive ways of promotion (30 minutes)  | Sources of Funds (30 minutes)                    | Open Session                              |                          |
| 45 minutes                        | LUNCH                                                                   | LUNCH                                       | LUNCH                                            | LUNCH                                     | LUNCH                    |
| 45 minutes                        | Idea Generation: Problem and Solution                                   | Negotiation                                 | Expanding Markets – A Learning game (30 minutes) | Working on                                |                          |
| 45 minutes                        | Cash Book – What & How                                                  | Income Statement & Break Even Point         | Communication – General                          | Plan                                      | Biz Plan Competition     |
| 15 minutes                        | BREAK                                                                   | BREAK                                       | BREAK                                            | BREAK                                     |                          |
| 45 minutes                        | Types of Business & Their Characteristics                               | Guest Speaker                               | Guest Speaker                                    | Working on Business Plan                  | Valedictory Function     |

audience and local conditions.

**Table C-3: Recommended Agenda (Time Table) – AEW Level 3**

|                        | Day 1                                                                                  | Day 2                                                | Day 3                                                                                             | Day 4                                        | Day 5                       |       |
|------------------------|----------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------|-------|
| Duration<br>15 minutes | Registration                                                                           | Recap                                                | Recap                                                                                             | Recap                                        |                             |       |
| 45 minutes             | Inaugural<br>Function;<br>Faculty Intro,<br>About I Create,<br>Mission<br>(15 minutes) | Idea<br>Generation:<br>Problem and<br>Solution       | Cash Flow<br>Statement –<br>How & Why                                                             | Factors Affecting<br>Pricing<br>(30 minutes) | Working on<br>Business Plan |       |
| 45 minutes             | Power of<br>Networking<br>(Part 1)                                                     | Types of Costs                                       | Inexpensive<br>ways of<br>promotion                                                               | Sources of Funds<br>(30 minutes)             |                             |       |
| 45 minutes             | What Makes an<br>Entrepreneur?                                                         | Home Work:<br>Market<br>Research &<br>other research | Moving up the<br>value chain<br>(30 minutes)                                                      | Organizational<br>Structure<br>(30 minutes)  |                             |       |
| 15 minutes             | BREAK                                                                                  | BREAK                                                | BREAK                                                                                             | BREAK                                        |                             |       |
| 45 minutes             | Idea to<br>Execution<br>(I HOPE)                                                       | Unit of Sale,<br>Unit Cost &<br>Unit Price           | Franchising<br>(30 minutes)                                                                       | Accounts<br>Revision                         |                             |       |
| 45 minutes             | Business Plan –<br>Why & How &<br>Team<br>Formation                                    | The Marketing<br>Mix                                 | Excellence in<br>Execution<br>(30 minutes)                                                        | Entrepreneurial<br>Stories                   |                             |       |
| 45 minutes             | LUNCH                                                                                  | LUNCH                                                | LUNCH                                                                                             | LUNCH                                        |                             | LUNCH |
| 45 minutes             | Idea<br>Generation:<br>Newspaper<br>Exercise                                           | Negotiation                                          | Expanding<br>Markets – A<br>learning<br>game<br>(30 minutes)                                      | Communication<br>– General                   |                             |       |
| 45 minutes             | Cash Book –<br>What & How                                                              | Income<br>Statement &<br>Break Even<br>Point         | Quality: What,<br>Why & How<br>(30 minutes)<br>Women &<br>Business –<br>Challenges &<br>Solutions | Working on<br>Business Plan                  | Biz Plan<br>Competition     |       |
| 15 minutes             | BREAK                                                                                  | BREAK                                                | BREAK                                                                                             | BREAK                                        |                             |       |
| 45 minutes             | Types of<br>Business &<br>Their<br>Characteristics                                     | Guest Speaker                                        | Guest Speaker                                                                                     | Working on<br>Business Plan                  | Valedictory<br>Function     |       |

**Note:** This is only indicative. Please draw up your agenda – knowing your audience and local conditions.

**Table C-4: Recommended Agenda (Time Table) – AEW Level 4**

| Sessions               | Day 1                                                                      | Day 2                                  | Day 3                                            | Day 4                                 | Day5                     |
|------------------------|----------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------|---------------------------------------|--------------------------|
| Duration<br>15 minutes | Registration                                                               | Recap                                  | Recap                                            | Recap                                 |                          |
| 45 minutes             | Inaugural Function;<br>Faculty Intro, About I Create, Mission (15 minutes) | Types of Costs                         | Cash Flow Statement – How & Why                  | Excellence in Execution (30 minutes)  | Working on Business Plan |
| 45 minutes             | Power of Networking (Part 1)                                               | Market Research & other research       | Quality: What, Why & How (30 minutes)            | Business Structure (30 minutes)       |                          |
| 45 minutes             | Idea to Execution (I HOPE)                                                 | Unit of Sale, Unit Cost & Unit Price   | Moving up the value chain (30 minutes)           | How to Network Effectively (Part 2)   |                          |
| 15 minutes             | BREAK                                                                      | BREAK                                  | BREAK                                            | BREAK                                 |                          |
| 45 minutes             | Idea Generation: Problem and Solutions                                     | The Marketing Mix                      | Franchising (30 minutes)                         | Why Businesses Struggle               |                          |
| 45 minutes             | Business Plan – Why & How & Team Formation                                 | Inexpensive ways of business promotion | Pricing (30 minutes)                             | Communicating for success in business |                          |
| 45 minutes             | LUNCH                                                                      | LUNCH                                  | LUNCH                                            | LUNCH                                 | LUNCH                    |
| 45 minutes             | Idea Generation: Newspaper exercise (30 minutes)                           | Negotiation                            | Expanding Markets – A learning game (30 minutes) | Accounts Revision                     | Biz Plan Competition     |
| 45 minutes             | Cash Book – What & How                                                     | Income Statement & Break Even Point    | Sources of Funds (30 minutes)                    | Open Session                          |                          |
| 15 minutes             | BREAK                                                                      | BREAK                                  | BREAK                                            | BREAK                                 |                          |
| 45 minutes             | Types of Business & Their Characteristics                                  | Guest Speaker                          | Guest Speaker                                    | Working on Business Plan              | Valedictory Function     |

**Note:** This is only indicative. Please draw up your agenda knowing your audience and local conditions.

## 2. What Makes An Entrepreneur? Entrepreneurial Traits

Life has no limitations, except the ones  
you make.

*-Les Brown*

### Learning Objectives

- ✓ Increase awareness about who is an entrepreneur and the differences between an entrepreneur and an employee.
- ✓ Challenge preconceived ideas.
- ✓ Start discovering entrepreneurial traits within oneself and how to build on them.
- ✓ Learn to think out of the box: A fun exercise.

The first question to ask is:

#### **What are the differences between an Entrepreneur and an Employee?**

This should be a short question and answer session to make sure that all participants understand the difference between the two and understand who an entrepreneur is.

Take about five minutes for this Q and A session and have them give examples of entrepreneurs whenever possible.

#### **Group Exercise 1:**

Have the participants divide into groups of four and ask each group to list five traits of an entrepreneur such as “risk taker”. Ask them to rank the traits in order of importance. Give them three minutes to do this exercise. Also have them appoint a spokesperson. Try to pick a person who has not yet spoken. He or she will respond to the questions asked to the group by the facilitator.

Go around the class and ask each group to mention the most important trait on their list, and write it on the blackboard. Then go to each group

again and ask for the next important trait. Repeat this until you have gone to each group five times.

Explain to the participants that there is one rule: If a trait has already been mentioned earlier, don't repeat it; mention the next important trait that makes an entrepreneur different from an employee.

Now, ask if anyone has any questions or comments.

### **Group Exercise 2:**

Have the same groups divide the 20 traits into two categories:

**Category (a) traits:** A successful entrepreneur will have some combination of these desirable traits—not all—such as: has determination, is hard-working etc.

**Category (b) traits:** These are non-essential for being an entrepreneur, but help, such as: cares for society, has a sense of humor etc.

Once the participants have identified the differences, they should identify an entrepreneur from India, from the *Everyday Entrepreneurs* book or anywhere else in the world, big or small, who has one or more traits from their list in category (a) only. Again, have them pick a group spokesperson—a different one this time—to give the names of the entrepreneurs they have selected. Go to each group asking for one trait in category (a) and the name of an entrepreneur who has that trait, the same way you did for Question 1.

List the traits and the entrepreneur identified on the board.

Now ask the following two questions to the entire class. Each participant should give his or her own answer this time and not answer as a group.

- i. What are the traits/qualities stated in category (a) on the board that you have? Take a piece of paper and write them down. **Tell them that they will not be asked to share with the class what they write on the piece of paper.**
- ii. Which are the traits of an entrepreneur in category (a) that you don't have but think you can acquire? Write it down on the piece of paper. Again this is just for you and not to share with any one and there is no exam.

### Recognition Time

Now ask those who think they have one or more traits from both lists (i) and (ii) above, to stand up. (Almost all will stand up.)

“Now, those who wrote two or more traits keep standing and the rest sit down.”

“Now, those who wrote three or more traits keep standing and the rest sit down.”

In this manner, go up to five traits. Then, ask the class including those standing to give a big hand to those still standing at five traits!

**The message is that you DON'T have to have all the traits in category (a) to start your own enterprise but that you can acquire some of them with determination and discipline. Read them the quote from Les Brown at the top of this lesson.**

### A fun exercise: (Time Permitting)

Ask the participants to connect the following nine dots using four straight lines. Tell them that they can neither overwrite a line that is already drawn nor can they lift their pen off the sheet of paper.

|    |    |    |
|----|----|----|
| A• | B• | C• |
| D• | E• | F• |
| G• | H• | I• |

If any participant has joined the dots, ask him to show his method to the class, otherwise you join the dots and explain that thinking outside the box and going out/beyond the limits, helps in finding solutions.

Thinking outside the box and going out/beyond the limits, helps in finding solutions.

#### Solution:

- Line One: First join ABC and continue the line beyond C.
- Line Two: Then join FH and continue the line straight down till it comes just below G

- Line Three: Then join GDA.
- Line Four: Lastly join AEI.

#### NOTE FOR FACILITATOR

You can use the tables below to enhance the class discussions. Most of the time, the trainees will come up with a list like this and more.

Sample Differences between an Entrepreneur and an Employee\*

| <b>ENTREPRENEUR</b>                          | <b>EMPLOYEE</b>                           |
|----------------------------------------------|-------------------------------------------|
| Creates jobs                                 | Seeks jobs                                |
| Risk taker                                   | Risk averse                               |
| Has flexibility and responsibility           | No flexibility                            |
| Owner                                        | No ownership                              |
| Manages                                      | Is managed                                |
| Unlimited potential income                   | Fixed salary                              |
| Employer                                     | Employee                                  |
| Leaves Comfort Zone                          | Stays in Comfort Zone                     |
| Is own Boss: Creates his own destiny         | Must follow Boss's instructions           |
| Motivator                                    | Motivated                                 |
| Overall responsibility                       | Narrowly defined responsibility           |
| Leader                                       | Follower                                  |
| Can transfer his business to others/children | Can't transfer his job to others/children |

\*Please note: Many of the qualities/traits may be there in an employee as well.

No entrepreneur will have all the traits mentioned here.

## Desirable Traits of an Entrepreneur

### NOTE FOR FACILITATOR

- Below is an illustrative list of traits for both categories: (a) and (b) all mixed together.
- Emphasize that no entrepreneur will have all the traits mentioned below.
- Students may come up with other traits and may classify them differently in category (a) or (b). That is fine if there is a reasonable explanation.

#### Desirable Traits of an Entrepreneur

|                          |                                  |
|--------------------------|----------------------------------|
| Risk taker               | Has money                        |
| Courageous               | Parents were entrepreneurs       |
| Flexible                 | Determination                    |
| Customer driven          | Perseverance                     |
| Confidence               | Sense of humor                   |
| Hard-working             | Physically strong                |
| Honest                   | Has supporting spouse or parents |
| Has a dream              | Stays cool in adversity          |
| Committed to succeed     | Takes help from others           |
| Gets a Mentor            | Learns his trade well            |
| Understands competition  | Prepares a good Business Plan    |
| Gets the Biz Plan vetted | Enthusiastic                     |
| Cheerful                 | Decisive                         |
| Good planner             | Prompt                           |
| Cares for his Community  | Efficient                        |
| Problem Solver           | Looks for opportunities          |



*/ Create Entrepreneur couple who has created 60 jobs.*

**NOTE FOR FACILITATOR**

On the day following the lesson above, give the students five minutes to complete this Self Rating Current Score and My Goal Sheet. This should be followed by the Stand up - Sit down fun exercise below. Total Time: 10 to 12 minutes.

**Traits of an Entrepreneur: Self-Rating Sheet**

| No. | Traits                  | Explanation/ Rating                                                                                                   | Current Score |   |   |   |   | My Goal |   |   |   |   |
|-----|-------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|---|---|---|---|---------|---|---|---|---|
|     |                         |                                                                                                                       | 5             | 4 | 3 | 2 | 1 | 5       | 4 | 3 | 2 | 1 |
| 1   | Confidence              | Sure of oneself                                                                                                       |               |   |   |   |   |         |   |   |   |   |
| 2   | Risk Taking             | Is willing to take calculated risk, able to take failures as lessons to be learned, and is not stigmatized by failure |               |   |   |   |   |         |   |   |   |   |
| 3   | Vision                  | Able to think of long term goals                                                                                      |               |   |   |   |   |         |   |   |   |   |
| 4   | Good Listener           | Pays full attention                                                                                                   |               |   |   |   |   |         |   |   |   |   |
| 5   | Good Networker          | Is adept at networking                                                                                                |               |   |   |   |   |         |   |   |   |   |
| 6   | Adaptability / Flexible | Copes with new situations; keeps an open mind                                                                         |               |   |   |   |   |         |   |   |   |   |
| 7   | Competitiveness         | Likes competition and winning                                                                                         |               |   |   |   |   |         |   |   |   |   |
| 8   | Honest / Ethical        | Is open, truthful                                                                                                     |               |   |   |   |   |         |   |   |   |   |
| 9   | Hard working            | Is able to work hard and puts in efforts to complete the tasks                                                        |               |   |   |   |   |         |   |   |   |   |
| 10  | Drive                   | Is highly motivated                                                                                                   |               |   |   |   |   |         |   |   |   |   |
| 11  | Perseverance            | Sticks to task or goal, showing patience in face of hurdles                                                           |               |   |   |   |   |         |   |   |   |   |
| 12  | Decisiveness            | Takes decision and implements; does not procrastinate                                                                 |               |   |   |   |   |         |   |   |   |   |
| 13  | Search for opportunity  | Always on the look-out for new opportunities, markets etc.                                                            |               |   |   |   |   |         |   |   |   |   |
| 14  | Creative & Innovative   | Creates new things to attract customers                                                                               |               |   |   |   |   |         |   |   |   |   |
| 15  | Problem Solver          | Identifies problems & provide solutions                                                                               |               |   |   |   |   |         |   |   |   |   |
| 16  | Persuasiveness          | Is able to convince others                                                                                            |               |   |   |   |   |         |   |   |   |   |
| 17  | Initiative              | Tries to get first mover advantage                                                                                    |               |   |   |   |   |         |   |   |   |   |
| 18  | Inter personal Skills   | Relates with customers, employees, suppliers, partners, financiers with confidence, dignity and warmth                |               |   |   |   |   |         |   |   |   |   |

| No. | Traits               | Explanation/ Rating                          | Current Score |   |   |   |   | My Goal |   |   |   |   |  |
|-----|----------------------|----------------------------------------------|---------------|---|---|---|---|---------|---|---|---|---|--|
|     |                      |                                              | 5             | 4 | 3 | 2 | 1 | 5       | 4 | 3 | 2 | 1 |  |
| 19  | Efficient            | Does not waste resources                     |               |   |   |   |   |         |   |   |   |   |  |
| 20  | Passion & commitment | Has zeal to complete the chosen task or goal |               |   |   |   |   |         |   |   |   |   |  |

**Notes:**

“Rate yourself on a scale of 1 to 5 (5 being the highest). Be realistic in your rating. No one else sees your rating and no one will score highly in all or most of the qualities. (This is your **current score.**)”

“Set your goal on each quality – where you want to be.”

“Develop your action plan to improve your score by identifying steps you need to take in a selected category/quality and check your score every three months.”

To make it a bit more fun, have the students add all their score current ratings. “We will call it your **Current Entrepreneurial Score**. Then add your "My Goal" rating - this will be your short term **Target Entrepreneurial Score**.”

“Now write down the increase (difference between the two scores) on your sheet.” Again, tell them this is their personal score which they need not share with anyone.

Also, emphasize that there is no study that has set up a pass or fail Entrepreneurial Score. -This is only a qualitative observation and an exercise to help you grow your Entrepreneurial Score.”

Then to add more fun, play the stand up - sit down game. It goes as follows:

“Those who have an increase of at least five points, please stand.” (All are likely to stand.)

“Those who have at least 10 or more increase, keep standing, the rest sit down.” (Some may sit down.)

“Next, those who have at least 15 or more increase keep standing and the rest sit down.” (Don't want to go much higher than that since it may give unrealistic signals to the students.)

At this point give a big round of applause to those still standing at 15+ and ask all who planned to increase their Entrepreneurial Score to draw up a plan on how they will increase the score and check the progress every three months.

## 3. Entrepreneurial Stories

Most entrepreneurs don't have greater tolerance for risk than anyone else – they just define risk differently.

For some, working for someone else, reporting to a boss, and living under rules that didn't make sense were a lot riskier than creating their own business. For others, the risk of not pursuing their passion, of not making a meaningful impact on the world around them, felt much riskier than starting their own venture.

*–Based on a Survey by Deborah Mills-Scofield*

### Learning Objectives

- ✓ Introduce the business path of a successful entrepreneur.
- ✓ Analyze the reasons for success and failure.
- ✓ Analyze the qualities of the entrepreneur.
- ✓ Encourage and motivate future entrepreneurs.
- ✓ Attract attention to the secret of their success.

### Session Plan

Participants are given an assignment to read and the session is spent in discussing the case. For those with limited reading ability, one can narrate the story and discuss.

### Materials Needed

- *Everyday Entrepreneurs*, the I Create book by Dr. Aruna Bhargava contains stories of twelve entrepreneurs who started from scratch, struggled, faced many challenges and ultimately succeeded. These are

entrepreneurs with whom the participants can identify. Fortunately, these entrepreneurs have shared the challenges they faced and the mistakes they made, thus the stories offer some great lessons for start-ups. The stories are motivational and interesting to read since they are written in easy prose.

## Facilitator Tips

If you are in a city where you can invite the entrepreneur whose story is being discussed, you may invite him or her and have them sit at the back incognito while their story is being discussed. At the end, please invite and introduce the entrepreneur and have him or her comment on the discussion and take any more questions from the class. Students are always thrilled to see the entrepreneur they discussed among themselves.

If you find an entrepreneur story in *Everyday Entrepreneur* other than the two below, or on the I Create Cloud Campus, that is more suitable for the profile of your class, you are welcome to use it.

If you want to discuss some other entrepreneur story (outside of *Everyday Entrepreneur* or I Create Cloud Campus), please send it to us for a quick review of the story and the questions to be asked.

In every case, please make sure that the students have a copy of the story and they read it ahead of the actual class.

### Note to Facilitator

Please distribute the story (whichever you have selected) one day before the class to all the participants and ask them to read it carefully. In the class next day, ask the questions provided at the end of the story, and any others that help in understanding the lessons learned from the entrepreneur story.

**Suggestion:** Two good stories to start with are those of Kulsum Malik and Satya Brata Dey. These stories are given on the following pages.

Please make sure that the students have a copy of the story and they read it ahead of the actual class.



IMAGE COURTESY OF SDMANIA / FREEDIGITALPHOTOS.NET

### **SATYA BRATA DEY**

*“Never be afraid to dream big. You can make your dreams come true”.*

*“We don’t just sell shoes to our customers. We also make them feel good. That’s what brings them back!”*

Ever seen a long line outside a shoe store of people waiting in the scorching heat just to buy a pair of shoes? If you haven’t, you’ll see it outside Satya Brata Dey’s Shree Leather shoe stores in Kolkata.

#### **From Rags to Riches**

One dreary November morning in 1986, Satya left his home in Jamshedpur and came to Kolkata with little more than the clothes on his back. He wore a pair of corduroy pants, a shirt and a pair of sturdy shoes made by his father. Before he left home, his mother had pressed in his hands a few hundred-rupee notes, which he brought with him. Today, Satya Brata Dey is a millionaire, a crorepati—and what gives him the greatest satisfaction is that he provides jobs for people in West Bengal – a state where there are very few industries and over five million unemployed!

#### **Parents had a strong influence on his life**

Satya’s mother was always a strong woman and still is, even at the age of eighty. She believed in herself and encouraged Satya to do the same. “Son,” she would say stroking his unruly hair into place, “No matter what you do, always win. Remember that. Always win.” Satya learned his lesson well. He won—and he won against great odds.

Satya’s father owned a small shop in Jamshedpur where he made shoes. His shoes were so sturdy that they could last for twenty years. As a teenager, Satya often went to his father’s shop and helped him make shoes. That’s where he learned the fine art of making sturdy, good-looking shoes at a reasonable cost. It was this apprenticeship under a master shoemaker like his father that taught Satya a

priceless craft very early in life. Little did he know then that what he was learning in his father's humble shop in Jamshedpur would someday make him a millionaire, a "crorepati" in Kolkata. He would have laughed if someone had told him back then that, someday, he would create jobs for hundreds of people with this priceless craft that he learned from his father. When he remembers his father bending over his worktable making shoes day after day, tears glisten in his eyes. Tears of love and pride. He remembers his father's hands that had, over the years become hard and tough like the leather he worked with. Today, Satya would give anything to be able to hold those callused, wrinkled hands in his own and invite him to come and see the little empire that his son has built with what he taught him as a little boy. But Satya's father is no more. Whereas Satya manages a business worth crores, what he is most proud of is that even today, he can make shoes with his own hands.

From his beloved father, Satya learned another important lesson that would come in very handy for him later in life—that of dignity of labor: the value and worth of working with one's own hands. Because of his background, Satya has great respect for the working man. In his business, he treats his employees and workmen like family members and they in turn give him their undying loyalty. That is one of the secrets of his success.

#### **What? Start your own business? That's despicable!**

In Satya's Bengali community, running one's own business was not much respected. Starting a business was looked down upon. Businessmen were seen as people who amassed wealth at the cost of others. They took too much risk. What if the business failed? What would you do then? On the other hand, a secure government job was quite another thing. Becoming a "babu" in a government department was coveted. Once you got your foot in the door, nobody could fire you and, whether you worked or not, the government paid you and even when you retired the government took care of you. It gave you a pension. It was like your father-in-law's house. You were always a well-looked-after guest.

The second best thing to being a government employee was being in "Service", getting a job in someone else's business. Of course, if you had a job in somebody's private business enterprise, you didn't get as good marriage proposals as the government employee, but there was still hope for you. You had a job.

#### **Making shoes was low in the prestige ladder**

It was bad enough to do a risky thing like running one's own business, but making shoes? That was truly low down in the prestige ladder of the community. Satya had faced this kind of prejudice before. He remembers well the days he used to go to his father's shop after school to help out. One day, his father's friend said to him, "Why do you let your son come here and waste his time? Doesn't he have anything better to do? He should learn skills that would get him a job instead of doing this."

Satya remembered this comment made by his father's friend as he wandered down the streets of Kolkata looking for a place where he could start a business making shoes. Thank goodness he had learned the trade and art of making good shoes.

There were no jobs available and the last thing he wanted to do was join the ranks of the unemployed. But Satya had never considered looking for a job.

### **Satya dreamed big but reality hit hard**

Ever since Satya was four or five he knew he wanted to have his own business. In Jamshedpur, he would look at the **TISCO** (Tata Iron and Steel Company) plant and say to himself, “Someday I will have a factory like this.”

Hot, tired and hungry, Satya wandered down the streets of Kolkata looking for a place that could be his “showroom” or shop. At the corner of a deserted street, he spotted a rundown showroom that was for rent. He used the money his mother gave him to pay the rent and moved in; it was his home and “show room” rolled in one. The “show room” was rat and cockroach infested. The paint on the walls was peeling. It was dingy, dirty and dimly lit. The windows were filthy and you could hardly see through them. The floor had several layers of dust caked with moisture. But for Satya, it was his dream showroom. It was his place.

Every night Satya washed his pants and shirt and hung them to dry. Often his corduroy pants were still wet in the morning. He wore the wet pants anyway and hoped that his body heat would dry them during the course of the day. “I was sweeper, painter, salesman, owner—everything rolled into one,” says Satya.

“Never be afraid to dream big,” he advises, “You can make your dreams come true”.

Even as he dreamed his big dreams, he continued to live in the filthy, run-down “show room”. He set about cleaning and fixing it. He swept and mopped until the floor shone. Then he cleaned the windows with soap and water until they sparkled and finally he painted the walls until the “Showroom” looked bright and attractive and ready for business.

### **Satya starts his business**

Satya started his first business venture with buying six pairs of ladies’ chappals. He was determined not to borrow money from anybody. He sold the chappals at Rs.69 each and made a little profit, which he invested to buy more chappals. After a few months Satya made a profit of Rs.300 which thrilled him to no end. Now he was really in business!

### **Satya’s business philosophy develops**

Satya’s showroom was in New Market. In those days, New Market used to close by 6pm. After 6 or 7pm the whole area used to be dark and deserted. But Satya opened his shop before anyone else and kept it open long after others had closed theirs. He did this even if there were no customers. What if there was one customer who needed shoes late in the day when the other shops were closed?

Gradually, over a period of time, Satya started to manufacture the shoes that he sold in his store. He positioned his shoes as poor man’s shoes—of good quality and inexpensive. He kept his margins low to attract a large number of customers. Even though his shoes were meant to attract the low-income customers, many ministers and business people also bought his shoes. Soon, satisfied customers brought their

friends and family and his business started to grow by leaps and bounds. He had a winning combination for success – the quality was good and the price was right.

The shrewd businessman that Satya is, he kept other manufacturers' products as well, so the customers could compare and see that Shree Leather shoes were cheaper and better.

#### **Customer Service is of prime importance**

Customer service is always very important at Shree Leather stores. Satya offers his customers tea, coffee or coke at his stores so that they would sit, spend some time and buy more than they had originally come to buy.

Satya told me the story of a woman who was standing outside his store one day waiting for a sari shop across the street to open. His salesman invited her in and asked her to sit and wait in the store. She came in and sat down in the comfortably air-conditioned store. The salesman offered her coffee. She had some. She started to look at the different shoes displayed in the store. Without anyone trying to sell her anything, she ended up buying 12 pairs of shoes.

"We don't just sell shoes. We make our customers feel good. That's what brings them back," says Satya Brata Dey.

#### **Cut out the middleman**

Since Satya manufactures his own shoes there are no middlemen to pay. He can afford to sell his shoes at a lower price than Bata and other large companies who have huge overheads. If he has to import something from abroad such as material for soles, which he gets from the UK, he imports it directly from the manufacturer there. Thus, once again, he avoids paying the middlemen.

#### **A kind gentleman**

Satya is a gentle, kind-hearted man. He had tears in his eyes as he narrated the following story. A man came to his store and bought a pair of ladies' chappals and then burst into tears. When Satya asked him what happened, he said, "Only yesterday my daughter came to buy chappals from your store but the line outside your store was so long that she went back home without making the purchase. On the way back she met with an accident and died. So I decided to fulfill her desire and came to buy these chappals." Satya presented the chappals to the father free of cost.

"Some people are addicted to buying shoes", says Satya, "or perhaps they come here because of the customer service. There is a lady doctor who comes in everyday and buys a pair of shoes. She sits chatting with the salesmen and then leaves. Once, one of the salesmen developed cancer. The lady doctor looked after him and took such good care of him as if he were a member of her own family."

#### **He keeps his employees happy and motivated**

Satya firmly believes that motivating the staff and keeping them happy is critical for the success of any business. A disgruntled or unhappy employee will not provide

good customer service. And customer service is what keeps people coming back and that is what makes the business successful.

“How do you motivate your staff?” I asked.

“I have staff who have been with me right from the very beginning. I treat them like family. I keep them in good humor. I spend time talking with them and help solve their problems. My staff members don’t feel like employees. They feel like they are the owners.”

Satya has a small team of dedicated managers who work long hours, sometimes as much as from 6 am until midnight.

“The third important key to a successful business is paying the vendors and suppliers on time,” says Satya. He loses his temper if his vendors and suppliers are not paid on time.

### **Sources of stress**

Satya’s biggest source of stress comes from government authorities. “Small bureaucrats and government employees harass for no reason whatsoever,” he says. To illustrate his point, he told me the following story.

Satya was getting a new showroom constructed. He had taken permission from the Kolkata Municipal Corporation and everything was legal and above board. The construction started and then one day out of the blue, some policemen arrived and ordered the work to be stopped. They demanded a huge bribe. Satya’s manager negotiated and settled for a lower sum. But when Satya came to know of it, he was furious and refused to pay a single paisa. He said he wasn’t going to bribe. He contacted some higher authorities in the police department and the government and the policemen left. The work continued. Then one day a couple of Kolkata municipal corporation employees arrived. They started finding faults with the construction. Now they wanted a bribe. Once again he had to approach the higher authorities to solve the problem. These kinds of harassment and hassles cause unnecessary delays and making doing business stressful.

Shree Leather has about 15 outlets in Eastern India. He has only one showroom of his own; the rest are all franchises. There is such a great demand for his franchises that people come with recommendations from the Prime Ministers and the Finance Minister. Some people come with briefcases full of money requesting a franchisee. But Satya Brata is very choosy about giving franchisees because the quality and his hard won reputation are very important to him.

Satya’s shoes are sold in many countries abroad such as Greece, Austria, Netherlands, Germany, UK, USA, Singapore and Saudi Arabia. But, in these countries, they are sold as non-brand name shoes.

Satya has reached a point in life when expansion has taken on a new meaning and purpose. Expansion for its own sake doesn’t mean much to him. He makes enough money and expansion would only mean more stress for him. But creating jobs is

important to him. West Bengal doesn't have many industries and jobs are scarce. He feels that it would be selfish of him not to expand. He wants to create as many jobs as he can. He believes that creating jobs is the best service he can do for the society. He employs about 150 people in his factory and outlets and, in addition, if each of his fifteen franchises employs about ten people, then Satya has created employment for at least 300 people. It's a win-win situation.

Shree Leather is worth several crores today. The young man who came to Kolkata with only the clothes on his back and a fistful of money has come a long way. His secret? Hard work, dignity of labor and big dreams.

## **Important principles for starting and running a business**

Start a business in the area of your expertise.

Dignity of Labor. Be proud to work with your own hands.

Dare to dream big and make your dream into a reality.

Customer service is of prime importance. It is because of your customer that you have business. Remember, the customer is always right.

Treat employees with respect and care.

The best service you can do for your community is to create jobs.

## **Questions**

1. Where did Satya learn to make shoes?
2. Did Satya start his business in the area of his expertise?
3. What were some of the hardships Satya faced in starting his own business?
4. What do you find most inspiring about Satya's story?
5. What did Satya dream of doing ever since he was a child in Jamshedpur?



IMAGE COURTESY OF SDMANIA / FREEDIGITALPHOTOS.NET

### **KULSUM MALIK**

*“The deaf and mute are very intelligent. Just as the blind develop their other senses such as hearing and touch more sharply than the rest of us, the deaf and mute develop very sharp intelligence. Every business should hire one or twodeaf and mute persons. They will be great assets to their business. I guarantee that.”*

*“I tell my children, ‘Look to the ground when you walk. Be humble. What we have today is a gift from God. If he decides, he can take it all away in a minute.’”*

Kulsum Malik—a gentle woman -with a heart of gold. A shrewd and successful businesswoman with a social conscience. A wealthy woman with endearing humility and infinite gratitude to God for what she has received. Kulsum Malik, in her own unique way makes the world a better and kinder place to live in.

#### **A beautiful and cheerful place of business**

As soon as you enter Kulsum's beauty clinic, Kaya Kalpa, what strikes you most is the brightness and cheerfulness that pervades the place. Women in lab coats smile and chat with the clients as they do their hair or make up or manicure or pedicure. The aroma of coffee brewing invites you to feel at home. A young trainee carries a tray of coffee mugs with steaming coffee to the clients. But there is something different about this trainee. She doesn't look "normal." There is another trainee who has a similar expression who is running errands, washing combs and brushes, setting the place in order. I later learn that these two trainees are a little retarded and have come from an organization called DISHA which trains and takes care of many such children and teenagers. Kulsum provides free training to two such girls and boys in each of her six clinics in Jaipur. Of the six clinics, four are for women and two for men. Only women work in the women's clinics and only men in men's clinics. She believes that this makes everyone feel comfortable.

Similarly, two young women from SOS village for orphaned children also receive training at each of Kulsum's clinics. They are now employed there full time. One of them is the receptionist.

Two beautiful, smiling, elegant young women, perhaps 17 or 18 years old, do my manicure and pedicure. I try to talk to them but they merely nod and smile. Soon I learn that these girls are deaf and mute. Kulsum trained these girls in beauty culture, again free of cost, and has now employed them full time in her clinic. Two such deaf and mute girls and boys work at each of Kulsum's sixclinics.

Why is Kulsum so committed to providing training and jobs to disadvantaged and handicapped young people? What is her motivation? Wouldn't it be easier and more cost effective to hire "normal," trained people?

Kulsum says, "The deaf and mute are very intelligent. Just as the blind develop their other senses such as hearing and touch more sharply than the rest of us, the deaf and mute develop very sharp intelligence. Every business should hire one or two deaf and mute. They will be great assets to their businesses. I guarantee that."

#### **Family background**

Kulsum's father, the only son of a nawab, was deaf and mute. His father owned 52 villages near Sardhana. So when her mother fell in love with the son of such a wealthy nawab, her mother's parents didn't object even though he was deaf and mute. But as luck would have it, Kulsum's mother and father lost everything and fell on very hard times. Her mother, the daughter of a wealthy nawab herself, had to struggle very hard. Kulsum has eight brothers and sisters. Raising such a large family was not easy for her parents. To make things even worse, her father died in an accident. He was crossing the road when a truck hit him. He didn't hear its roar as it came staggering towards him, nor did he hear the blaring of its horn. Kulsum's mother was suddenly widowed with eight children to raise. Kulsum realized at a very young age that she and her brothers and sisters would have to fend for themselves as soon as they could. They would also have to look after their mother.

Kulsum always wanted to be a beautician but in a Muslim family that was unheard of. She went to school and finished 12th standard but studying beyond that was not encouraged.

#### **A broken arm accidentally opens the doors to her future**

Things changed dramatically for Kulsum when she fell and broke her arm. The family decided that she should go to Jaipur to get it properly attended to. Jaipur is famous for its medical facilities. Sardhana didn't have much to offer in medical treatment. So Kulsum went to Jaipur and was admitted into the hospital, her bone was properly set and arm plastered.

During the long hours in the hospital, Kulsum used to spend a lot of time listening to the radio. One day, she heard an interview with Mrs. Singh, the wife of an IAS officer. Mrs. Singh, herself a beautician, said that she believed that being a beautician was an excellent career for women. It was 1977 then and there were hardly any beauty parlors in Jaipur. Mrs. Singh said that she encouraged young

women to go into this business. There was a need for beauty parlors in Jaipur. Even though not too many people knew about the beauty business, it was the business of the future and it was going to take off.

That is all Kulsum needed to hear. She was excited. This was what she had always wanted to do and here was someone who was actually doing it and recommending it to other women. She threw a shawl over her bandaged arm and stepped out of the hospital. She hailed a taxi and went to see Mrs. Singh.

"I heard your interview on the radio. I have always wanted to be a beautician, please would you teach me?" she requested. Mrs. Singh readily agreed.

When Kulsum was discharged from the hospital, she joined Mrs. Singh's beauty course. It was a three month course. She learned enthusiastically. She loved every moment of it. At the end of three months, with a certificate in hand, Kulsum began looking for a job. Since there were so few beauty parlors in Jaipur, finding a job was not easy. Of course, Kulsum's dream was to start her own beauty parlor eventually. But before she could do that, she needed to find a job, earn some money and get some experience.

#### **First job and the beginning of a career**

Rambagh Palace Hotel, one of the few five star hotels in Jaipur, had a beauty parlor. They had a hair dresser in the parlor but no beautician. So when Kulsum applied for the job she was hired immediately. She was jubilant. She actually got herself a job! She would now get a pay cheque! Just the thought of being financially independent made her self-confidence soar. She felt she was walking on cloud nine. She was ecstatic. But she was more determined than ever that someday she would start her own parlor. She was not going to be an employee beautician for the rest other life. Someday soon, I'll have my own parlor and be my own boss, she thought.

Kulsum worked at the Rambagh Hotel beauty parlor for one year. She worked hard and learned the business. With her cheerful, friendly disposition, she befriended many of the clients who came there. During that year, she lived very frugally and saved as much as she could.

#### **Kulsum falls in love**

Kulsum met her future husband at the Rambagh Palace Hotel. Anil Malik worked at the hotel. They met and soon became friends. Before long, that friendship developed into love. They wanted to get married. But there was one problem—Kulsum was Muslim and Anil was Hindu. Anil's family was strongly opposed to the marriage. They wanted him to marry a Hindu girl and no matter how much Anil tried to convince them, they wouldn't budge an inch from their position.

Kulsum's mother didn't object. When she met Anil and saw what a nice and caring young man he was and that he had a good job with the hotel industry, she felt confident that he would take good care of her daughter. However, Anil and Kulsum decided to wait for a while. Maybe his parents would change their minds. Maybe they would come around and accept Kulsum as their daughter-in-law. But that didn't happen for a long time.

### **Her dream comes true**

At the end of the year, Kulsum began looking for a small shop to rent where she could have her own beauty parlor. She didn't know about market surveys. She didn't know if the parlor would be more successful in a residential area or in the middle of a busy market. Which of these would attract more women customers? Today, her beauty clinics are in residential areas. Today she knows that women prefer not to go to the bazaar for beauty treatments; they go there for their shopping. They are often there with their husbands or with other family members. Beauty treatment is an activity that has to be done at leisure. And women prefer it not too far from home. But she didn't know all this then.

Someone told her about a small shop available for rent in Jayanti market, which is on a street off the main street of Jaipur, MI road. Jayanti market was quite lonely then and this shop was at the end of the street. But Kulsum didn't have many choices, so she decided to rent it.

### **The problem of finance**

There was one big problem—finance. It wasn't enough to just rent the shop. She needed furniture, and equipment. That would cost money. She figured out that she would need about Rs.30,000 to get her business going. She had about Rs.20,000. She borrowed five thousand from her family and applied to the bank for a loan of Rs.5,000.

But there was another big problem! The bank wanted a guarantor for the loan and a male guarantor at that! Kulsum had no one in Jaipur whom she could ask to be a guarantor for a loan. Who would take that risk for her except her family? And she had no family in Jaipur.

Kulsum had a very kind and helpful landlord. One day when Kulsum looked very sad and worried, he asked her what the problem was. She told him that she had most of the money she needed to start her parlor. She was about Rs.5,000 short. The bank was willing to loan her the money but they needed a guarantor and she had no one whom she could ask.

"I will be your guarantor," he said. "Come on, let's go right now. You are such a capable, determined woman, I have no doubt that you will succeed."

Her landlord became her guarantor and she got the loan.

### **Kulsum starts her own parlor**

Kulsum called her parlor "Femina Beauty Parlor". But she didn't advertise; she didn't have money for that. She merely relied on word of mouth publicity. Some of her clients from Rambagh Palace Hotel parlor, who liked her and were loyal to her, followed her to her new shop and they told their friends. But this is a slow process. Her clientele grew very slowly. Meanwhile, she had to pay her rent, electricity and water bills.

On some days, business was good and she made a hundred rupees. On other days she was lucky if she made ten. But Kulsum stayed in her shop from morning until

seven in the evening whether there were clients or not. And, if at the end of the day, as she was walking back home, she met a client on the road who wanted threading of the eyebrows done (which cost Rs.3 in those days) she would turn around and go right back to her shop, reopen it and do the threading. She didn't want to turn away any client. If she made enough money in a month to pay her bills, she was happy.

Sometimes she felt scared as she sat alone in her parlor waiting for clients. As the afternoon sun slid away and the evening shadows crept in, the Jayanti market became a lonely place. Besides, her shop was at the end of the street away from the main MI road. But she held on. She never closed shop before 7 p.m. What if a client showed up? She didn't want her to find her shop closed.

Gradually, the word got around that there was a Femina beauty parlor in Jayanti Market. A few more clients started going to her. She soon had a few regulars.

#### **Home visits for beauty treatments**

Some of the wealthy clients wanted her to go to their homes and give them beauty treatment. They paid well. Also for weddings and special occasions, people asked her to go to their homes to do hairstyles and makeup.

Most of her clients were nice and treated her with respect. But, occasionally, the men folk would make cheap remarks or say something like, "When are you going to do my facial, sweetheart?" Remarks like this burned her up. But she would keep calm and politely tell them that she only did facials for women.

Some clients were insensitive. Once she had gone to someone's house to do make up for the bride. When she finished, the bride's mother asked how much was her fee. Kulsum said Rs.100. The mother took out a Rs.100 note, waved it over the bride's head (as in removing 'nazar') and gave it to Kulsum. Kulsum was furious. She refused to touch that money. She said to the mother, "Give this note to your servant or some beggar. Go and get me another note for this is my fee not charity." The woman went in and got her another Rs.100 note and gave her.

#### **Trains with Shahnaz Hussein**

In 1978, Anil Malik was transferred to Delhi to the Taj Palace Hotel. Kulsum used to go to Delhi to meet him. One day Shahnaz Hussein happened to be in the hotel when Kulsum visited. Anil introduced Kulsum to Shahnaz. In those days, Shahnaz was not yet famous. She lived in a rented-house and held beauty culture courses in her garage. Kulsum expressed an interest in joining the 6 month beauty culture course with Shahnaz Hussein. Shahnaz agreed and was very kind and helpful to her. After the course, she decided to start a Shahnaz Hussein Franchise in Jaipur. But she didn't have the money to buy the franchise. "Can I pay you in installments?" Kulsum asked. Shahnaz agreed but she insisted that Kulsum's beauty parlor be called Shahnaz Hussein beauty parlor and not Femina Beauty parlor. Kulsum agreed. Kulsum used the Shahnaz Hussein beauty products and liked them very much.

### **Kulsum gets married**

Anil and Kulsum decided that they didn't want to wait any more. They wanted to get married. But Anil's family continued to object. They finally decided to get married anyway. They had a court marriage and a 'Nikah.'

### **Kulsum becomes successful**

Soon Kulsum became very successful and well known in Jaipur as a beautician. She was still running the Shahnaz Hussein franchise.

A few years later, Kulsum decided to go into business for herself. By now she knew enough about beauty products and the beauty business. She started Kaya Kalpa and began manufacturing her own beauty products. Shahnaz withdrew her franchise from Kulsum and Kulsum went ahead full steam with her Kaya Kalpa range of products.

Today, in Jaipur area, Kaya Kalpa is a household name and is very well respected. Kulsum maintains high standards in her product quality. She treats her employees with respect and love and maintains a very healthy and happy work environment.

Her uniqueness lies in her compassion for the handicapped, whether they are deaf and mute, or mentally retarded. She also has a special soft corner for orphaned children. In her small way she tries to help them by providing them with training and employment.

### **Dignity of labor**

No job was too small for Kulsum. In her small shop in Jayanti market, she cut hair, did pedicures, manicures, facials and other beauty treatments and also swept the floors and cleaned the surroundings. She kept her parlor spotlessly clean.

Now that Kulsum is successful, some people who knew her in the Jayanti market days pass comments like, "Now she has become a memsahib and rides in air conditioned cars but there was a time when she swept the floors of her shop and went to people's hotel rooms to do their hair."

"Yes," says Kulsum, "I did all that and I am proud that I worked hard and achieved success without any contacts or any outside help." She believes that no work is big or small. Every work deserves respect.

### **Exports and franchises**

Today, Kulsum Kaya Kalpa beauty products are exported to many countries including Australia as Omveda beauty products.

Her beauty parlors are now called beauty clinics. She has six of them in Jaipur—four for women and two for men. She has also sold franchises of Kaya Kalpa to beauticians in other cities in Rajasthan such as Bikaner, Jodhpur and Udaipur where they have started Kaya Kalpa clinics. She has a beauty clinic on the prestigious, luxury train, Palace on Wheels.

### **An attitude of gratitude**

Success has not made Kulsum arrogant in anyway. On the contrary, she always remembers the hard days and remembers to be grateful for what she now has. She tells her children, "Look to the ground when you walk. Be humble. What we have today is a gift from God. If he decides, he can take it away in a minute."

### **Advice to aspiring entrepreneurs**

According to Kulsum, four factors are important for success: patience, hard work, determination and luck.

**Patience:** Much as we would like our businesses to succeed overnight, that does not happen. We just have to be patient and keep at it. Gradually, the business will get bigger as people come to know about you. The best publicity is "word of mouth." A satisfied customer or client tells her/his friend and so on. And that takes time. However, that kind of gradual growth which depends on loyal, satisfied customers or clients lasts. So be patient and don't give up if things don't work out at first.

**Hard work:** There is no substitute for hard work. If you want to succeed in your business, don't be afraid of hard work. Be prepared to work long hours and be prepared to sweep the floors and clean the bathrooms, if need be. No work is below you. With this attitude, you will definitely succeed. Make your work place clean and beautiful. You will feel good about spending long hours in a beautiful place and so will your clients.

**Determination:** Determination is very important. Make up your mind that no matter what, you will succeed. That doesn't mean you must be rigid. Be flexible and learn from others but be determined that you will succeed and you will. Don't give up.

**Luck:** According to Kulsum, we cannot overlook the role of good luck and the grace of God. Being in the right place at the right time truly helps. For example; had she not been in Jaipur in the hospital with the broken arm, she wouldn't have heard the interview with Mrs. Singh, on the radio. Mrs. Singh was her first teacher in beauty culture. Then, had she not been in Delhi visiting her fiancée Anil Malik on the day Shahnaz Hussein visited the Taj, she wouldn't have met her. She considers Shahnaz Hussein as her mentor. Had her kind landlord not offered to be her guarantor, she wouldn't have received the bank loan that helped her start her business. Kulsum says that luck played an important part in her success.

Kulsum's patience, determination, hard work and good luck have paid off abundantly. Today, her business is worth several crores. Her husband, Anil Malik, has given up his job in the hotel industry and now helps manage their business—Kaya Kalpa.

## **Important principles for starting and running a business**

Appreciate the dignity of labor. When you are running your own business, consider no job to be below your dignity. Sweep, clean, do

whatever it takes to make your place of business clean and beautiful.

Decide what you want to do and then go after it with a single pointed mind. Opportunities will come your way.

Take courses and learn as much as you can about your business. Become an expert in your field.

Train and employ a couple of handicapped people in your business. This way, you help them as well as your business.

## **Questions**

1. What did you find most inspiring about Kulsum Malik's story?
2. What would you have done differently if you were in Kulsum's place?
3. Why is Kulsum so committed to helping the handicapped?
4. What were some of the struggles and hardships Kulsum faced in starting her business as a beautician?
5. How did Kulsum train herself in the beauty culture business?

## 4. Women and Business: Challenges & Solutions

When you empower a woman economically, you empower all her future generations.

*-Dr. Aruna Bhargava*

### Learning Objectives

- ✓ Understand the challenges faced by women in starting a business.
- ✓ Identify possible solutions to these challenges.
- ✓ Help women participants in promoting self-confidence, improving self-image, ensuring participation in decision-making, acquiring financial autonomy and improving the quality of life.

### Session Plan

This session is applicable to all levels.

#### IMPORTANT NOTE TO FACILITATOR

This would be an ideal lesson to invite a local woman entrepreneur, who is both a good speaker and willing to share the challenges she faced and how she overcame them. She could have the second half of the session and the first half could be the activity as shown below but shortened as suggested below.

1. Invite a successful local woman entrepreneur — and ask her to tell her story right from the beginning with her earliest thoughts on setting up a business and all the steps she took for planning and execution. She should especially explain the difficulties faced and how she overcame the same.

It is important to brief the guest politely but in clear terms that the focus is on what specific problems she faced and how she overcame them.

Otherwise the guest speakers may go into generalities and describe all their achievements. Also tell them to limit the talk to 15 minutes and Q and A for ten minutes. If the guest is more comfortable with Q and A and less with the talk, you can reduce the talk time and increase the Q and A time.

**TIP:** Often students hesitate to ask questions. Please ask one of the students from the front of the class to help start the session by asking a question so others feel emboldened to ask questions as well.

2. If (1) above is not possible, make copies of any one story of I Create women entrepreneurs from the book “Everyday Entrepreneurs” by Dr. Aruna Bhargava. (These stories are available on the Educator Circle of I Create Cloud Campus.) Have the class read them and ask one volunteer per group to take a story and identify one or two problems faced by the women entrepreneurs and how they overcame them.

**TIP:** Students often hesitate to ask questions. Please ask one of the students to help start the session by asking a question so others feel emboldened to ask questions as well.

## Activity

- Participants should be already seated with their teams. If not, please ask them to sit down.
- Ask each team to list the challenges faced by women in starting a business. Emphasize that you are not looking for challenges that women face in general, but only those related to starting a business. Also, these are to be problems specific to women and not general problems common to both male and female entrepreneurs.
- Give five minutes to the teams to come up with their list.

- Meanwhile, make seven columns on the board and provide the following headings:

|                |                       |
|----------------|-----------------------|
| Family         | Lack of knowledge     |
| Financial      | Literacy Related, and |
| Societal       | Personal              |
| Travel Related |                       |

- Ask each team to read out what they consider as the biggest challenge a woman faces for starting a business. The Facilitator should list each one under the appropriate heading. There may be some differences of opinions on the category. Don't fret too much about that. It is important to identify the key problems rather than the classification. (Classification is important while calculating costs, where you need to identify costs by categories.) Then move to the second and third round asking for the second biggest challenge and finally the third biggest.
- If groups have the same item in their rounds, please list them again. It is important to get a sense of what the group considers as important issues women face.

The three rounds should take about five minutes.

Now that the identification of challenges is done, we move on to finding possible local solutions to these challenges.

- Allocate one of the seven headings to each team and ask the members to discuss and identify possible solutions to overcome the challenges. Give about 5 minutes for this task.
- Now, let each team give the solutions to the challenges.
- Move from one team to the next and cover all the challenges listed.
- Make a list of solutions on the board (or laptop) as these are being debated.
- This last segment would be about five minutes as well.

## **Optional Reading/Viewing**

### **Weblinks**

- Problems faced by women:  
[http://wiki.answers.com/Q/What\\_are\\_the\\_problems\\_faced\\_by\\_women\\_entrepreneurs\\_in\\_business](http://wiki.answers.com/Q/What_are_the_problems_faced_by_women_entrepreneurs_in_business)

### **Videos**

- Woman Entrepreneurs:  
[http://www.youtube.com/watch?v=vU2QIXCnOXE&feature=player\\_embedded](http://www.youtube.com/watch?v=vU2QIXCnOXE&feature=player_embedded)

## 5. Why Businesses Struggle

Nobody likes to fail but failure is an essential part of life and of learning. If your uniform isn't dirty, you haven't been in the game.

*–Ben Bernanke, Chairman, US Fed Reserve*

### Learning Objectives:

- ✓ Explore the reasons why some businesses struggle.
- ✓ Identify how the issues can be fixed.

### Session Plan

This session is for Level 4 AEW – primarily if there are some struggling entrepreneurs.



IMAGE COURTESY OF RENJITH KRISHNAN / FREEDIGITALPHOTOS.NET

This is a good module for participants who are already in business but struggling. It is also good for those seriously thinking of starting their business.

### Note to Facilitators

This is a good module for participants who are already in business but struggling. It is also good for those seriously thinking of starting their business. It looks at business success factors from a different perspective by identifying the pitfalls to avoid.

It has two central activities. Activity one would be followed by a short case study based on a real-life situation from among any of the struggling entrepreneurs who is willing to get his or her case studied so he or she can have the views and suggestions from the rest of the participants.

#### Three things to remember for planning this module:

- Announce this module in the second or third session of the CMS program or the AEW. By now, some trust and familiarity has been established among the participants. Ask for any volunteer/s who would want their case to be studied in this module.
- Let them know that the case will be completely disguised so no one knows which business we are talking about, unless the volunteer doesn't care about confidentiality.
- Summarize and write about the case to be studied in about a page and distribute it to the students the evening before so they can read and analyze it before this module.

## Activity 1

- Create four teams as "Entrepreneur", "Customer", "Employee" and "Supplier".
- Ask each team to discuss among themselves (keeping in mind their assigned role) and make note of five reasons why businesses struggle to make a profit. Give them five minutes for this exercise.
- In the meantime, make two columns on the board for writing the reasons given by participants – do not give any heading to these columns yet.
- Go from team to team asking each person to give two top reasons and write them on the board. Please remind participants that they are not to repeat what is already written.

Probably by about three rounds most of the reasons will have been covered.

- *Move rapidly to ensure that the time taken for team work, subsequent listing & categorization does not exceed 15 minutes.*

The board may have some of the items listed below. You may add any items from below that you think is important if the participants have not come up with them.

|                                                |                                           |
|------------------------------------------------|-------------------------------------------|
| Customer-unfriendly                            | Superior Technology Available with others |
| Unsatisfactory Quality                         | Government Policy change                  |
| Lack of courtesy or arrogant behavior by staff | Raw Material prices up                    |
| Frequent Stock out & Rush Jobs                 | Change in fashion and taste               |
| Not meeting commitments                        | General Inflation                         |
| Uncontrolled growth                            | No demand for service or product          |
| Not sufficient funding                         |                                           |
| High Price                                     |                                           |
| Poor Location                                  |                                           |
| No fixed opening & closing time                |                                           |
| Employees & Suppliers not paid on time         |                                           |
| Inefficient operations                         |                                           |
| No Unique Selling Proposition                  |                                           |
| Mixing Personal & Business Funds               |                                           |
| Poor Domain Knowledge                          |                                           |
| Too much sold on credit                        |                                           |
| No – or poor – planning                        |                                           |
| No proper management structure                 |                                           |
| Lack of Succession Plan                        |                                           |
| Poor resource management                       |                                           |

- Next, ask the class if they can come up with the broad categories under which the items from these two columns fall. Very shortly, they should come up with words that would mean “Internal” and “External” factors. Please put these as the headers for the two columns.

## Conclusion

- ✓ Identifying the factors why businesses struggle is the flip side of identifying how to build successful businesses. We have covered those factors in detail in the different modules in the CMS program and the AEW.

## Activity 2: Case of a Struggling Enterprise.

- Invite a team to volunteer to lead the discussion of the case. The team could select a key spokesperson who would briefly describe the current status of the business. Another member of the team could then enumerate the three or four most important issues that appear to be causing problems for the business. A third member could lead the discussion with the Facilitator's guidance to elicit suggestions from the participants. A fourth member could write them on the board in brief.

## Optional Reading

- <http://www.businessknowhow.com/startup/business-failure.htm>
- <http://experts.allbusiness.com/the-top-10-reasons-why-small-businesses-fail/889/#.UYh9l0oUOxg>

## 6. Idea to Execution: Essential Steps

Any powerful idea is absolutely fascinating and absolutely useless until we choose to implement it.

*–Richard Bach*

### Learning Objectives

- ✓ Understand the steps involved in moving from idea generation to its successful execution.

### Session Plan

This session is applicable to CMS and all levels of AEW except AEW Level 1. Recommended time allocation is as follows:

Activity..... 10 minutes  
Discussion..... 18 minutes  
Conclusion .....: 2 minutes

### Materials Needed

- Whiteboard
- Marker
- Duster
- Notebooks with pen for participants



IMAGE COURTESY OF MASTER ISOLATED IMAGES / FREEDIGITALPHOTOS.NET

### NOTE TO FACILITATORS

#### I CREATE BEGINS WITH I HOPE!

Our course content covers all the topics that are mentioned below. We do not hand over an agenda to the participants; however, the following approach has been found to be useful.

You can start the session with a humorous anecdote based on the current news, or show a funny cartoon that will evoke laughter and remove tension. You can even show some humorous pictures. Please no off-color jokes, or any joke that makes fun at the expense of a particular community, language, gender, or physically or mentally handicapped individuals.

Move on to introducing the I Create's I HOPE *mantra*.

- Create five columns on the board/LCD projection.
- Ask: "What is the most important thing needed to start a business?"
- Start placing the answers in very short phrases under the five columns.

For example, if someone says, "you must know what your business is about", put that under 'I'. If someone says, "you need finances", put it under 'P'. If someone says, "market research", put it under 'H', and so on. (The list may look something like Table 1 below)

Once you have got most of the important words from the class, show them the list as below and praise them for coming up with all the details.

**Table 1**

|                             |                   |             |          |                             |
|-----------------------------|-------------------|-------------|----------|-----------------------------|
| What Business to start      | Market conditions | Price       | Finance  | Keeping customers satisfied |
| Where to start the business | Competitors       | Cost        | Planning | Quality production          |
|                             | Raw material      | Profit      | Place    |                             |
|                             | Machinery         | Feasibility | People   |                             |
|                             | Buying capacity   |             |          |                             |
|                             | Man power         |             |          |                             |

## Discussion

Now ask the participants what these five columns represent. Get them, through questioning and redirecting, to come up with one word that would describe the activities in each column – you are looking for five words. (For your benefit, these words are **Idea, Homework, Opportunity, Planning and Execution**). **Please do not write them on the chart yet;** do so only after the class have been able to come up with the words. Of course – chocolates for correct identification!

## I HOPE

The following write up should help you enhance the importance of each step in I HOPE.

### First Step: I (IDEA)

Various issues that need to be addressed here are:

- Individual qualities vis-à-vis “Entrepreneurial Qualities”
- Individual Skills, hobbies, assets or talent
- Identifying problems faced by people, companies, society etc.
- Idea generation to solve the problem using skills, talent, hobby etc.

### Second Step: H (HOMEWORK)

Now that an idea has been generated, it should be subjected to critical evaluation through review of various facets of:

This step is essential to determine whether an opportunity exists to execute the idea and to make consistent and long term profits.

- Market Research
- Feasibility
- Availability of required raw material and/or skills
- Target customer
- Competitive situation
- Market saturation
- Location

- Down side risk
- Costing
- Pricing
- Finances needed

The I Create Business Plan template covers all the above.

All of these reviews, research, calculations and studies can be clubbed together as Homework. This step of Homework is essential to determine whether an **opportunity** exists to execute the idea and **to make consistent and long term profits**.

### **Third Step: O (OPPORTUNITY)**

At the end of the Homework (second) step, one gets a fairly good idea as to whether opportunity exists for implementing the idea or the idea needs to be modified. At times, we may need to totally reject the idea and generate a new one (step one) and then go through the Homework step again (step two). Finally, when it is established that the idea (original or modified) has an opportunity (to make consistent profits), we are ready to move on to the next step.

### **Fourth Step: P (PLANNING)**

Once it is established that an idea has a real opportunity for success which means a sustainable profitable operations, we then move on to preparing a road map to actualize that opportunity. The process for doing this is Planning and a document that results from this process is a Plan. Obviously the process is more important than the document, but the document helps in providing a common blueprint for all involved in achieving the goal. Some of the process elements are:

- Goal Setting (S.M.A.R.T. Goals)
- Marketing Strategy and Plan
- Sales and Production Plan (or Service offering plans for a service industry)
- Location
- Raw Material Sources (if applicable)
- Packaging (if applicable)

Planning is the process of preparing a road map to convert an idea into concrete results.

Keep your customer satisfied so that he/she keeps coming back and new ones keep coming as a result.

- Product or Service Positioning
- Target Customer / Market segmentation
- Customer Service
- Customer Relations Management
- Acquiring skilled manpower
- Training
- Equipment, Tools
- Space
- Systems
- Policies and Procedures
- Credit and payment policy
- Distribution Channel
- Advertising and promotion
- Expense Projections
- Costing
- Pricing
- Financial and other resources needed
- Advisors

Some of these would have been deliberated upon during Homework (step two). Nonetheless, they have to be addressed here with focus and clarity.

Once the plan is ready, share it with all those involved in its execution (next step).

### **Final Step: E (EXECUTION)**

The real benefit of an idea (in this case, sustainable profit generation) is when it is executed with excellence. If not, it could become a loss making proposition. There are many actions that business owners and managers must take to ensure that the business runs profitably. One that sums it all is: Keep your customer satisfied so that he/she keeps coming back and new ones keep coming as a result.

Here are some action items to keep the customer satisfied:

- Get customer feedback and act on it
- Provide value for money to the customer
- Maintain quality
- Treat people (employees, suppliers and customers) well
- Communicate effectively
- Be aware of competition
- Be ethical and honest in your dealings
- Honor commitments
- Innovate
- Keep track of changing trends and tastes in the Market Place
- Advertising and Promotion
- Efficient Channels of distribution
- Be a good negotiator—Look for win-win situations so your customer wins and you win
- Network well

These five steps give us *the mantra* to move from **Idea to Execution: I HOPE.**

## **Conclusion**

- ✓ Ideas don't make successes, implementation does. Successful men and women first determine if an idea is practical and feasible. If yes, they then plan every essential step to make it a success.
- ✓ Abraham Lincoln once said if he had three hours to chop a log of wood, he would spend two hours sharpening the saw.
- ✓ For planning the essential steps, it is important to know what the goal when implementing the idea is. In the case of business ideas, the desired result is sustainable profit.
- ✓ The above paragraphs cover the various steps needed to be undertaken for an effective execution of a business idea. Ultimately, excellence in execution is what yields the desired results.
- ✓ The I Hope *mantra* has another subtle meaning to it. As the phrase suggests, **we are hoping for the best.** This implies that there are inherent risks in any business idea and we hope that through careful

Homework and meticulous Planning we have taken care of most (if not all) of the risks! Hence, by saying “I Hope,” we imply that the chosen idea has a better chance of success.

Successful people do not do  
different things; they do  
things differently!

*-Anonymous*



## 7. Idea Generation – Newspaper Exercise

It is impossible to read a paper without being exposed to ideas. And ideas... more than money... are the real currency for success.

*–Eli Broad*

### Learning Objectives

- ✓ Find business opportunities using a business newspaper.
- ✓ Gather information about new services and products.

### Session Plan

This session is applicable only to AEW Level 3 & 4 and CMS. Recommended time allocation is as follows:

Activity..... 15minutes  
Discussion..... 12 minutes  
Conclusion.....: 3 minutes

### Additional Material Needed

- Business Newspapers like Economic Times, Business Standard etc. (The paper does not have to be that day's. A paper that's a couple of days old or even earlier will do. Please provide one paper per participant.)

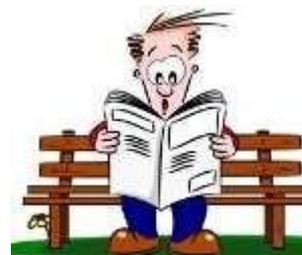


IMAGE COURTESY OF GRANT COCHRANE / FREEDIGITALPHOTOS.NET

## Activity

### Instructions to the Facilitator:

- Hand over a business newspaper to each participant.
- Give the participants about seven minutes and ask them to go through the paper and look for news, business articles, changes in government policy or regulation, advertisements etc. that give them an idea for starting a business. (Here you can tell the story of the woman entrepreneur in Jaipur who, as soon as she heard that government would require all scooter drivers to wear a helmet, started a helmet business. Again, she realized that women may not want to wear the boring gray colored ones; she started offering colorful helmets and thus began her business.)
- After five minutes, tell the class that only two minutes are left and remind them that they are looking for news, business articles, advertisements etc. that give them an idea for starting a business.
- While the group is reading, scan through one of the distributed newspapers.
- After the time is up, ask for anyone who has got an idea for a business. Applause for the first one who raises his/her hand. Tell the person that since not everyone would have read the same story, he/she should identify the item (by page and location), read the headline of the story, or briefly explain the advertisement and then explain what business idea came to his/her mind and why.
- **IMPORTANT NOTE:** Help clarify the idea and encourage the participants by being appreciative of them. At the same time, ask probing questions when necessary to clarify the response.
- While one participant is explaining the idea, other participants can also give their inputs as to what else can be added. You should help improve on the ideas given by the participants.
- **Give opportunities to people from different situations and call on people who have not participated earlier to view their thoughts.**

## Discussion

Encourage the students to come up with other sources of market place knowledge, trends and future product or service needs.

Here are a few ideas to keep at the back of your mind to facilitate this discussion:

- The most powerful tool for a young entrepreneur today is knowledge about the marketplace, and even more important is up-to-date knowledge of the marketplace. The daily financial newspaper, business magazines and now internet and smart phones when accessible, are good tools for ideas and trends in the market. The data in most cases is well researched by qualified and knowledgeable people. Tell the participants, “A financial newspaper is like your market research team, but at a miniscule price to you! You have access to information because of the power of press.”
- A lot of market information is also available through Business & News channels. Radio, Television, and particularly the internet are good sources of information. Internet can offer instant and latest information of value to one that is looking for trends, news, figures and research for any product or service. It’s an amazing tool and cheap!
- Also, one should be alert regarding change in Govt. regulations & policies. These could open up avenues for new products & services. (Remind the participants of the story of the helmet business.)
- Businesses with a focus on social entrepreneurship are flourishing in India. More entrepreneurs can look at this emerging Industry as it productively engages & benefits large groups in communities, and therefore, has the power to transform people’s lives for the better.

## Conclusion

**Again, ask the students their conclusions and lessons learned based on the exercise and the discussion. It would be ideal if they cover the conclusions as below. If not, you can help them arrive at these conclusions.**

The most powerful tool for a young entrepreneur today is knowledge about the marketplace.

powerful.

✓ Newspapers & other media including the internet are the easiest and economical ways to trigger new business ideas.

✓ It’s not only the articles, but also the advertisements published in the newspaper, which may give rise to a new idea to start a business.

✓ The idea can be small, but its impact can be

## For Optional Reading

### Business News Websites

- [www.entrepreneur.com](http://www.entrepreneur.com) – Covers international articles on Startups, technology, markets, franchisee opportunities etc.
- <http://www.indiainbusiness.nic.in/> – Has information on the Indian economy, emerging sectors, annual reports, surveys etc. Also relevant information on Service, Infrastructure & Industrial Sectors.
- <http://business.gov.in/> – Business opportunities & incentives, Union budget, Economic survey, Govt. Policies etc.
- [www.business-standard.com](http://www.business-standard.com)
- [www.financialexpress.com/](http://www.financialexpress.com/)
- [www.businessnewspapers.net](http://www.businessnewspapers.net)
- [in.reuters.com](http://in.reuters.com)

### Newspapers & Magazines

- Economic Times
- Business Today
- Forbes India
- Outlook India

## 8. Idea Generation: Hobbies, Skills, Opportunities, Problems and Solutions

Money never starts an idea. It is always the idea that starts the money.

*-Owen Laughlin*

### Learning Objectives

- ✓ Learn how to appreciate one's special skills / hobbies & turn them into a profitable business.
- ✓ Identify potential opportunities, problems & use them to generate business ideas.
- ✓ Use best practices of Idea generation.
- ✓ Think creatively.

### Session Plan

This session is applicable to all four levels of AEW and CMS. Recommended time allocation is as follows (30 minutes for AEW and 40 minutes for CMS):

Activity..... 13 minutes  
Discussion..... 15 minutes  
Conclusion..... 2 minutes

**For CMS, the activity section may be expanded by 10 more minutes.**

### Materials Needed

- Exercise sheet
- Whiteboard
- Marker, and
- Duster



## Activity

- Hand out the exercise sheet to the trainees

### Hobbies and Skills exercise:

- Ask the trainees to list their skills and hobbies and possible businesses that can be started using the same – under the two columns “**Hobbies & Skills**” and “**Businesses Ideas**”.
- Similarly, ask them to identify **problems in their community and possible solutions** as indicated in exercise sheet.
- Finally, ask them to think of new opportunities and ideas that could lead to new business. After the iPhone (smart phone or internet) revolution, a leading thinker quipped. “We always thought necessity is the mother of invention. I am beginning to realize that invention is becoming the mother of necessity.”
- Often people convert the hobbies they like and are good at into businesses. Others can acquire new hobbies and skills they like through formal classes before starting their own small businesses. For example, if you have a hobby of painting or music, you can start a business around teaching these arts. Similarly, skills like teaching children in Kindergarten, use of software’s like MS Office, CAD, counseling, interior design, making homemade foods can be learnt.

Blank exercise sheet:

| S. No. | A) Hobbies & Skills | Business Ideas |
|--------|---------------------|----------------|
| 1      |                     |                |
| 2      |                     |                |
| 3      |                     |                |
|        | B) Problems         | Business Ideas |
| 1      |                     |                |
| 2      |                     |                |
| 3      |                     |                |
|        | C) Opportunities    | Business Ideas |
| 1      |                     |                |
| 2      |                     |                |
| 3      |                     |                |

The filled exercise sheet may look as follows:

| S. No. | A) Hobbies & Skills                         | Business Ideas                                                              |
|--------|---------------------------------------------|-----------------------------------------------------------------------------|
| 1      | Stitching & embroidery                      | Boutique store, tailoring services, garment sales or exports, hobby classes |
| 2      | Carpentry                                   | Interior design solutions, furniture manufacturing                          |
| 3      | Cooking good food / specialty dishes        | Catering service, café, canteen service                                     |
| 4      | Writing skills                              | Documentation services, creative writing services                           |
| 5      | Good knowledge of English / other languages | Language training centers                                                   |
| 6      | Gardening                                   | Agriculture, landscaping                                                    |
| 7      | Skill of making high quality chocolates     | Gourmet Chocolates for gifting                                              |
| 8      | Knowledge of Yoga & Meditation              | Yoga classes, Gymnasium                                                     |

|   | B) Problems                                | Business Ideas                                                           |
|---|--------------------------------------------|--------------------------------------------------------------------------|
| 1 | Care for children of working mothers       | Day care center                                                          |
| 2 | Muscular stress/ body aches & pains        | Ayurvedic body massage service, Yoga training                            |
| 3 | Poor quality teaching at schools/ colleges | E-learning services on the internet, tuitions, creative teaching service |
| 4 | Need for Laundry service                   | Laundry service with door to door pickup and delivery                    |

- A common list of three columns – Skills/Hobbies, Problems and Possible Business Ideas can be generated by getting the input from the participants.
- For this, ask any participant to share a problem. Then ask another participant to identify a skill that can be used to solve that problem and then conclude with the Business Idea.
- Do this for about half a dozen problems getting all the participants to take part in the exercise.

## Discussion

- Ask them “Do you know of anyone who has started a business based on a unique idea / skill? Please share it with us inbrief.”
- Ask them “Do you know of anyone who has started a business based on his/her hobby?”  
(During this discussion, do emphasize that while thinking of business ideas creatively is important, for an idea to succeed it must be market researched and customer driven. That is covered in other modules.)
- Ask the participants “How important is “**PASSION**” in any venture?” Inform the participants that, unless the entrepreneurs are “**Passionate**” about the venture, they may not be able to grow the business. “**PASSION**” in many areas of the enterprise is important to long term growth.

PASSION in many areas of the enterprise is important to long term growth.

- Examples:
  - Passion in leading people & helping them excel.
  - Being passionate about the area of business Ex: Renewable energy.
  - Helping people run micro & small businesses in rural areas.
  - Being passionate about developing business associates & contributing to economic growth.
  - Passion in developing leadership skills in people at all levels etc.

## Conclusion

- ✓ Summarize the key points.
- ✓ Emphasize the importance of observing things around them & how people are converting ideas based on various day to day problems into profitable businesses. Also, how they are capitalizing on their own / others hobbies & skills.
- ✓ Encourage the participants to be part of good entrepreneur's networks / forums, where they can meet successful business people, mentors, facilitators & investors. This will help motivate them & get required help.

## For Optional Reading

- **Links:** Generating new ideas - [http://www.mindtools.com/pages/article/newCT\\_88.htm](http://www.mindtools.com/pages/article/newCT_88.htm)



## 9. Moving Up the Value Chain

The whole is more than the sum of its parts.

–Aristotle

### Learning Objective

- ✓ To understand the Value Chain concept.
- ✓ Identifying ways to move up the Value Chain in your business.

### Session Plan

This session is applicable only to AEW Levels 3 & 4.

#### Instructions to the Facilitator

Start by asking the participants, “What do you understand by Value Chain?” You might have to prod them for answers and the type of answers you might get would be – “Satisfying Customer Needs”, “Receiving higher price”, “Forward integration, etc.” These are all partially true. List them down.

Next, ask the question, “What do you understand by Supply Chain?” Answers you get may be similar to “Making the product available”, “Logistics”, “Procurement of raw material, etc.”, “Inventory control” and the like.

Supply Chain is the movement of materials as they flow from their source to the end customer.

**There is very often confusion in some people’s minds about Supply Chain and Value Chain.** It is important to provide a clarification as follows:

Supply Chain is the movement of materials as they flow from their source to the end customer. Supply Chain includes purchasing, manufacturing, warehousing, transportation, customer service, demand planning, supply planning and management of all these links in the chain. It is made up of the

people, activities, information and resources involved in moving a product from its supplier to the customer.

Value, on the other hand, is what the customer receives when she buys the product or the service. At a very basic level, what the customer is willing to pay depends on the extent to which a product is perceived to meet her needs or wants. Thus the value often depends primarily on the customer's understanding of the value of the product. Value chain is thus the process the product or service goes through that adds to its value to the customer—real or perceived.

**Facilitator Question:** Ask the class if they can give examples of when the value is really changed or is perceived to be changed. (Don't spend too much time on this and avoid it becoming a theoretical exercise.)

**Tip:** A simple example of change in value at perception level without any change in intrinsic value could be the use of packaging—whether packaging of sweets or the kind of fancy bottles used for packaging perfume etc.

The customer **receives the** goods or service through the **supply chain**. He/she **receives value** through **value chain management**. So while, supply chain generally connotes the movement of goods or services with or without change in its value, value chain is where the product goes through a process that increases its value.

## Activity

- Form new teams or use the teams that were formed for the earlier classes. (If the same teams have done many group exercises together earlier, change the composition to give a bit of variety to the participants.) Ask each team to pick a product or service from the list below. Also, let them know that they are free to pick an item from outside this list too.
- Ask them to do the following two part exercise.
  1. Ask them to identify the various ways in which value can be added to the chosen product/service.
  2. Having identified the ways in which they add value, ask them if they were the business owners with this product line, what would be the reasons they

Value is what a customer receives when he or she buys a product or service.

would want to add value to the product and if there are any risks in doing so.

List of Illustrative products/services:

- Milk
- Coffee Beans (Green Beans)
- Textile (Fabric for Clothes)
- Beauty Parlor
- Electrical Repair Service
- Vegetables
- Fruits
- Fish
- Grains

Give the teams about 5 to 6 minutes. Plot the first part of the exercise. It may look as follows for a limited set of illustrative items.

#### Results of Value Chain Analysis

|   | Original Prod/Service | What Customer Does With It          | Possible Value Addition                      |
|---|-----------------------|-------------------------------------|----------------------------------------------|
| 1 | Milk                  | Drinks or uses in coffee/tea        | None                                         |
|   |                       | Drinks with additives – almond etc. | Milk based beverages – ready to consume      |
|   |                       | Makes yogurt                        | Produce packaged yogurt                      |
|   |                       | Makes sweets                        | Various milk based sweets & desserts         |
|   |                       | Makes <i>paneer</i>                 | Produce packaged Cottage Cheese              |
|   |                       | Makes ice cream                     | Ice Creams of various flavors                |
| 2 | Green Coffee Beans    | Roasts, grinds, makes coffee        | Supply Roasted Beans<br>Supply Ground Powder |

|   | Original Prod/Service     | What Customer Does With It             | Possible Value Addition                                                  |
|---|---------------------------|----------------------------------------|--------------------------------------------------------------------------|
|   |                           |                                        | Set up Coffee Parlor                                                     |
| 3 | Textile (Fabric)          | Gets clothes stitched from a tailor    | Manufacture of garments                                                  |
| 4 | Beauty Parlor             | Goes to the Parlor for getting service | Service provided at the home of the customer                             |
| 5 | Electrical Repair Service | Calls for electrical repair service    | One stop shop for various maintenance services—plumbing, electrical etc. |
|   |                           |                                        | Regular house maintenance                                                |
|   |                           |                                        | Service for paying utility bills                                         |
| 6 | Vegetables                | Cleans the vegetables                  | Supply cleaned & packed vegetables                                       |
|   |                           | Cuts the vegetables                    | Supply cut vegetables in packets                                         |
|   |                           | Cook the Vegetables                    | Ready-to-eat vegetable dishes                                            |
|   |                           |                                        | Supply cut vegetables & appropriate spices and recipes.                  |

Given limited time, ask two volunteer teams only—preferably, one in product category and another in service category—the reasons why they would want to add value to their line and the risks, if any, in doing so.

**Facilitator Tip:** These two presentations should bring out important issues for adding value and the risks associated in doing so. These could include the following illustrative positive reasons:

1. Improving the marketability of the product (Being able to address target customer needs).
2. Increase the customer base.
3. Increase in sales and profit level for the business.
4. Increase in shelf life of the product, thus avoiding wastage or spoilage (e.g. raw food items).
5. Reducing vulnerability to changes in the cost of the raw or basic material.

**There are risks involved:**

1. Need for higher capital both of process cost in adding value and costs for equipment for storage (e.g. freezer for packaged frozen food items).
2. Need for a larger inventory of products.
3. Complexities in ensuring quality and distribution of the endproduct.

And finally, ask the class, if there are risks involved, how can they mitigate them?

**Facilitator Tip:** The answers to this final question should lead to the importance of paying attention to some basic concepts for the success of any business, such as the importance of proper market research, identification of customer needs, what price she is willing to pay, what the competition is, what location to choose, etc. All these are issues they learn in the Seven Ps of Marketing.

Let this be a short discussion since the focus of this module is on value addition for business growth.

## **Optional Reading**

- [http://articles.economictimes.indiatimes.com/2012-02-04/news/31024887\\_1\\_value-chain-coffee-bean-indian-coffee](http://articles.economictimes.indiatimes.com/2012-02-04/news/31024887_1_value-chain-coffee-bean-indian-coffee)
- [http://arrow.dit.ie/cgi/viewcontent.cgi?article=1075&context=nitlot\\_h](http://arrow.dit.ie/cgi/viewcontent.cgi?article=1075&context=nitlot_h)
- [http://www.pir.sa.gov.au/valuechains/value\\_chain\\_toolkit](http://www.pir.sa.gov.au/valuechains/value_chain_toolkit)
- [http://www.unido.org/fileadmin/user\\_media/Services/Agro-Industries/Pro-poor\\_value\\_chain\\_development\\_2011.pdf](http://www.unido.org/fileadmin/user_media/Services/Agro-Industries/Pro-poor_value_chain_development_2011.pdf)

## 10. Franchising

Look after the customer and the business will take care of itself.

–Ray Kroc, McDonald's Founder

### Learning Objectives

- ✓ Understand the concept of Franchising.
- ✓ Learn about the Roles of the Franchisor and Franchisee.
- ✓ Analyze the Pros and Cons of becoming a Franchisor and a Franchisee.

### Session Plan

- This session is applicable only to AEW Levels 3 &4.

#### Instructions to the Facilitator

This session has discussion and activity components.

- Ask the participants to give the names of some franchise operations they are aware of. You might get answers like – McDonalds, Pizza Hut, Café Coffee Day, Pepsi Cola, IPL, Various Automobiles, Chai Point etc.
- Next question is, “What do you understand by the term ‘Franchise Operation?’” The answers you get may vary from “Standard Specification and Quality” to “Brand” to “Common Marketing”, etc. List all the words and phrases given by the participants.

Now you can explain the different types of Franchise Operations and their characteristics. (See ‘Types of Franchises and their Characteristics’ on the following page.)

Now ask the participants (assuming that they are seated in teams; if not, please make teams of four or five) to discuss – (i) When is it appropriate to be a Franchisor? (ii) When is it right to be a Franchisee? Give them 5 minutes for this and ask them to come up with at least 3 points. While responding, let each team give one point for each question. Most of the answers should lead to the following conclusion:

**When is it appropriate to be a Franchisor?**

- Your business is running well in your area.
- Based on customer feedback you feel that scope exists to open outlets or stores in other parts of the city, state, country or even internationally.
- You do not have the necessary financial or human resources for such expansion of the business as your own wholly or partially owned branches.
- You can identify the procedures for operations including sales and marketing that have worked well for you which can be standardized and put in practice elsewhere without your personal presence. (Of course, you would train the franchisee in the procedures and provide a manual.)

**When is it right to be a Franchisee?**

- You have the desire to be an entrepreneur and have analyzed the risks and benefits of the franchise and like the product or service. It is important that you like the product or service since it will be with you for the rest of your life or at least for a long time.
- You do not have an idea of your own as to which business to start.
- Buying an existing business doesn't sound right for you but starting from scratch sounds a bit intimidating.
- You have the finance necessary to be a Franchisee.

**Types of Franchises and their Characteristics**

**Franchising is a business model in which many different owners share a single brand name.** A parent company (known as Franchisor) allows other entrepreneurs (known as Franchisees) to use the company's strategies and trademarks; in exchange, the franchisee pays an initial fee and royalties based on revenues. The franchisor also provides the franchisee with support, including advertising and training, as part of the franchising agreement.

There are three basic types of franchise models; **Trade Name Franchise**, **Product Distribution Franchise** and **Pure (or Business Format) Franchise**.

**Trade name franchise** involves allowing someone to use your brand name – such as True Value Hardware or Western Auto. (If you know of any Indian Brands – you can use the same)

Here, the franchisee purchases the right to become identified with the franchiser's trade name without distributing particular products exclusively under the manufacturer's name.

A *Product distribution franchise* licenses the franchisee to sell specific products under the manufacturer's brand name and trademark through a selective, limited distribution network. This system is commonly used to market automobiles (Mahindra, Tata, and Honda), gasoline products (HP, BP, and Castrol), soft drinks (Pepsi Cola, Coca-Cola), two wheelers (Hero, Bajaj), appliances, cosmetics, and other products. These two distribution systems allow franchisees to acquire some of the parent company's identity. Franchisees concentrate on the franchiser's product line, although not necessarily exclusively.

A *Pure (or comprehensive or business format) franchise* provides the franchisee with a complete business format, including a license for a trade name, the products or services to be sold, the physical plant, the methods of operation, a marketing strategy plan, a quality control process, a two-day communications system, and the necessary business services. That is, the franchisee purchases the right to use all the elements of a fully integrated business operation. A Pure franchise is the most rapidly growing of all types of franchise and is common among fast-food restaurants, lodging establishment, business service firms, car rental agencies, educational institutions, beauty aid retailers, and other promising growth industries. The best examples of Pure Franchise are McDonald, Pizza Hut etc.

## Activity

Franchising is a business model in which many different owners share a single brand name.

- After discussing these points, divide the class into four groups – two of them **Potential Franchisors** and the other two **Potential Franchisees**.
- Allocate the following four topics – one to each team – and give them seven minutes to come up with their points.
  1. Advantages or Pros of becoming a Franchisor;
  2. Disadvantages or Cons of becoming a Franchisor;
  3. Advantages or Pros of becoming a Franchisee; and
  4. Disadvantages or Cons of becoming a Franchisee
- At the end of seven minutes, give each team 2 minutes to articulate their points and jot down the points in the following table format. Once all the teams have spoken, open the floor for others to give additional points, if time permits.

The table on the board or laptop will look like the following table. You can discuss the points with the aid of the write up provided below about Pros and

Cons. You can also undertake optional reading (given at the end of this module) to enhance your domain knowledge.

### Some of the Pros & Cons of Franchising

| Franchisor                                |                                              |
|-------------------------------------------|----------------------------------------------|
| Pros                                      | Cons                                         |
| Need not have large capital for expansion | Need to document every detail                |
| Cash inflow without too much effort       | Extra effort needed for Quality Control      |
| Limited day-to-day operational hassles    | Possibility of brand dilution                |
| Operation can be low cost                 | Extensive legal paperwork                    |
| Better survival possibility in recession  |                                              |
|                                           |                                              |
| Franchise                                 |                                              |
| Pros                                      | Cons                                         |
| Well tested operational model             | No room for creativity                       |
| Easy to start – with Manual provided      | Very strict regimentation and control        |
| Brand already established                 | No scope for cost reduction in sourcing      |
| Training Provided                         | Higher variable costs (Royalty)              |
| Quick start                               | Profit sharing                               |
| Lower risk                                | Limited product range                        |
| Advertising support                       | Support may not match the promise            |
| Territorial protection                    | Restrictive covenants                        |
| Instant recognition                       | Potentially large initial capital investment |
|                                           |                                              |

Facilitator Reading Requirement ahead of the Class (and for use in the class to add to thoughts not already covered by the above group exercise)

### Pros and Cons of Franchisor and Franchisee

#### Franchisor:

##### Advantages

- Franchising offers the opportunity to make your business grow faster than would be the case if you had to train up your own employees and develop your own internal marketing, sales and distribution organization.
- The use of your franchisee's capital will make your

Studies have shown that you may be more likely to thrive in a recession than in a non-franchised business.

network grow more quickly than would be the case if you had to find the capital yourself.

- Franchising motivates the franchisee far beyond any typical employee incentive scheme, with the franchisee's financial success being dependent on the success of your business.
- With your increased purchasing power and possibly reduced overheads resulting from a franchise network, you may be able to increase the profitability of small units.
- Studies have shown that you may be more likely to thrive in a recession than in non-franchised businesses.

### Disadvantages

- The major disadvantage is **loss of control**. Although the franchise agreement will impose substantial restrictions on franchisees, franchisees remain independent third parties who will be seeking to maximize their profits, sometimes at your expense.
- Part of your profit element is used in **supporting** the franchisee.
- You will have to **share substantial know-how** and information concerning your business with the franchisee. Although the franchise agreement will contain confidentiality restrictions, such provisions are often difficult to monitor and enforce.
- The **skills** required to control franchisees and provide the back up support are different from those involved in operating a business through employees.
- The standardized approach required in franchising is **not to every consumer's taste!**
- **Extensive paperwork** and legal documentation.

### Franchisee:

#### Advantages

- **Corporate image** – The corporate image and brand awareness of the company is already established. Consumers are always more comfortable purchasing items from a familiar name or company they trust.

Franchisees stand a much better chance of success than people who start independent businesses.

- **Training** – The franchisor usually provides extensive training and support to the franchisee.
- **Savings in time** – Since the franchise company already has the business model in place you can focus on running a successful business.
- **Lower Failure Rate** – When you buy a franchise, you are buying an established concept that has been successful. Statistics show that franchisees stand a much better chance of success than people who start independent businesses; independent businesses stand a 70 to 80 percent chance of NOT surviving the first few critical years, while franchisees have an 80 percent chance of surviving
- **Help with Start Up and Beyond** – You get a lot of help starting your business and running it afterwards. Many franchises are, in fact, turnkey operations. When you buy a franchise, you get all the equipment, supplies and instruction or training needed to start the business. In many cases, you also get ongoing training, and help with management and marketing. Your franchise will reap the benefit of the parent company's national marketing campaigns, for instance.
- **Buying Power** – Your franchise will benefit from the collective buying power of the parent company as the franchisor can afford to buy in bulk and pass the savings along to franchisees. Inventory and supplies will cost less than if you were running an independent company.
- **Star Power** – Many well-known franchises have national brand-name recognition. Buying a franchise can be like buying a business with built-in customers.
- **Profits** – A franchise business can be immensely profitable.

#### Disadvantages

- **No room for your creativity and individuality** – The main disadvantage of buying a franchise is that you have to do it their way – sometimes right down to the way the napkin holders are filled. As a franchisee, you are not the one actually running the show, and some franchisors exert a degree of control that you may find excruciating.
- **Ongoing Costs** – Besides the original franchise fee and royalties, a percentage of your franchise's business revenue will need to be paid to the franchisor each month. The franchisor may also charge additional fees

The main disadvantage of buying a franchise is that you have to do it their way.

for services provided, such as the cost of advertising. (While these costs provide value and are legitimate, the franchisee must evaluate if they are excessive and if they can be negotiated down.)

- **Ongoing Support?** – Not all franchisors offer the same degree of assistance in starting a business and operating it successfully. Some are just start-up operations – and everything after startup is up to you. Others make promises of ongoing training and support that they don't follow up on.
- **Cost** – Buying into well-known franchises is very expensive. If this is your choice, you will need to plan your cash requirement well as also examine the cost/benefit of an expensive franchise carefully since you would be making a substantial investment. Shark-Infested Waters—buying a little-known, perhaps inexpensive franchise can be a real gamble. Just because a business is offering franchises is no guarantee that the franchise you buy will be successful. In some cases, franchising is the business; all the franchisors are interested in is selling more franchises; whether or not the individual franchises are successful is irrelevant to them. This is not to say that no little known, inexpensive franchises are worthwhile, but just a reminder that any franchise you're thinking of buying needs to be investigated carefully.

---

### Optional Reading

- [http://www.youtube.com/watch?v=Kzmq\\_S1aUOE&feature=player\\_detailpage](http://www.youtube.com/watch?v=Kzmq_S1aUOE&feature=player_detailpage)
- <http://www.youtube.com/watch?v=aSBhmZ8doRk>
- <http://www.entrepreneur.com/encyclopedia/franchising>
- <http://www.entrepreneur.com/article/71886>
- <http://www.franchiseconsulting.net.au/Franchise-articles/Franchise-articles/3-Basic-types-of-a-Franchise.asp>



## 11. Types of Businesses & Their Characteristics

A business absolutely devoted to service will have only one worry about profits. They will be embarrassingly large.

*-Henry Ford*

### Learning Objective

- ✓ Learn about different types of businesses based on what they do (not organization structure or business ideas).
- ✓ Understand the characteristics of these – in terms of resources needed.
- ✓ Identify the type of business you want to start with, based on your individual situation.

### Session Plan

This session is applicable to all four levels of AEW and CMS, Level 1.  
Recommended time allocation is as under:

Activity..... 15 minutes  
Question & Answer .....5 minutes  
Discussion and Conclusion ..... 10 minutes

### Activity

- Ask the participants to individually list different businesses they have come across or observed around them. Give three minutes for this.
- Meanwhile, draw three columns on the board. Do not write any headings; however, you must know that these are for “Manufacturing”, “Trading” and “Service”, respectively.
- At the end of three minutes, ask each participant by turn to give an item from his/her list.

- Tell the participants that items should not be repeated.
- Write the item in the appropriate column on the board.
- You may need to do two to three rounds to get an adequate number of items in each column.

Finally, your board may resemble the following:

| Column 1                      | Column 2                                 | Column 3              |
|-------------------------------|------------------------------------------|-----------------------|
| Chocolate Making              | Mango Export                             | Driving School        |
| Pickle Making                 | Clothes Store                            | Two-Wheeler Repair    |
| Catering                      | Tire Sale                                | Real Estate Agency    |
| Farm Seed Production          | Agricultural Products Sale<br>Store Sale | Home Delivery Service |
| Costume Jewelry Making        | Book Shop                                | Event Management      |
| Making Dairy Products         | Cosmetic Sale                            | Beauty Parlor         |
| Plastic Buckets Manufacturing | Two Wheelers Distributorship             | Tutorial Institute    |
| Restaurant                    | Online Video Store                       | Placement Agency      |
| Handicraft Production         | Pre-Owned Vehicles                       | Travel Agency         |
| Bakery                        | Bakery                                   | Senior Citizen Center |

## Q&A

### Q1: Why have these businesses been put into three columns?

**A:** You may get different answers – ranging from size of the business to complexity, etc. You have to lead the participants, through probing and counter questioning, towards an answer that includes “each column has certain unique things about them”

So then, let us find out what is unique about each one of the columns.

### Q2: What is common among the businesses listed in the first column?

**A:** After questioning and counter questioning, lead the participants to the point that all the businesses listed in column 1 are producing something. They start with some material and through use of machines or labor or certain processes convert it into a different material. Thus raw material becomes a finished product. For example, wax becomes a candle, raw mango becomes pickle, a piece of wood becomes a work of art, etc. So businesses in column 1 are “**Manufacturing**”. (You can now write the heading “Manufacturing”). The common characteristic here is material changing shape or form through a process. (If the question comes up, you can explain that “Agriculture” and “Mining” can be clubbed in this category – seeds become plants and yield produce, or underground minerals are extracted by using equipment).

**Q3: What common thing do you observe in the second column?**

**A:** Through questioning and prodding, lead the participants to the point that, all the businesses listed here are involved in trading. The business owner buys in bulk from the producer and then sells in smaller quantities to customers. Through discussions, lead to the conclusion that the product (e.g., mango or two-wheeler) does not change shape or size. In other words the business owner does not alter the material. (You may explain, however, that if the person bought mangoes and sold mango juice, then it would be classified as Manufacturing). This column can be categorized as **“Trading”**. At this point you can explain the two types of trading – “Wholesale” and “Retail”. You can also bring in the concept of “Distributor” and “Agent” and explain their role in the supply chain. (Refer to the links at the end of this module for more details on these topics).

**Q4: What similarity do you observe in the businesses listed in the third column?**

**A:** Lead them to the point that, in column 3, the businesses do not provide any tangible product but satisfy customer needs through providing a service. Therefore these can be categorized into **“Services”**. Let’s take the example of a placement agency. The agency helps you by matching your profile to the job requirement and arranging interviews. Let’s take an example of a driving school. They train you with the driving skills so that you would be eligible for a driver’s license.

**Important note:**

It is possible that some businesses can be in more than one category e.g. Bakery or Beauty Parlor. Why is it so? Lead the class in discussing this. (Bakery – apart from selling cakes or biscuits it has baked i.e. manufactured, may sell cold drink bottles i.e. trading. Similarly, in a Beauty Parlor, apart from getting your nails done or facial done (both services), you may buy a bottle of shampoo or conditioner not produced by the Parlor.

## Discussion and Conclusion

The following exercise is to help an aspiring entrepreneur decide what type of business—manufacturing, trading or service—he or she wants to start.

Write the matrix below on a flip chart before the class begins. Uncover it in this section. Ask each of the students to write down the following three businesses on a piece of paper and then write next to each the intensity level number (1, 2 or 3) the business would require of each of the characteristics in their judgment.

1. Plastic Buckets Manufacture
2. Clothes Store
3. Event Management Service

Now seek three volunteers to state their intensity levels for business A, B and C respectively. After each volunteer has spoken, allow others to volunteer if they disagree and if so, ask them what their ranking is and why. Assist them with this, if necessary. Remember there could be more than one correct answer in many cases as long as the participants can explain the rationale behind their choice.

| Characteristics                              | Intensity           |              |         |
|----------------------------------------------|---------------------|--------------|---------|
|                                              | A                   | B            | C       |
| Start-up Capital Requirement                 | High (1)            | Medium (2)   | Low (3) |
| Size of Operations Area                      | Large               | Medium       | Small   |
| Business Location Requirement                | Industrial Park     | Local Bazaar | Home    |
| Start-up Labor Requirement                   | Large               | Medium       | Low     |
| Level of complexity in starting the business | High                | Medium       | Low     |
| Distribution                                 | Wholesaler/Retailer | Agent        | Direct  |
| Financial Management                         | Complex             | Moderate     | Simple  |

## Optional Reading

To learn more about distributors, wholesalers and retailers, visit these links:

- <http://smallbusiness.chron.com/differences-between-wholesalers-distributors-retailers-30836.html>
- <http://www.marketingteacher.com/lesson-store/lesson-place.html>

## 12. Homework for Business

The most valuable thing to spend time on before starting the business is the market, not the idea. Do as much homework as possible.

*-David Tisch*

**Important Note:** We have used the term “homework” in a metaphoric sense covering all the advance work that needs to be done in planning and preparing before the start of a business including market research (covering the product/service planned, the customer and the competition), as well as planning for business essentials including men and women (employees), machinery (equipment), material (raw and finished) needed, and review of environmental impact, if applicable.

### Market Research

#### Learning Objective

- ✓ Identify the various facets of the business in which “homework” (as defined above) needs to be done.
- ✓ Determine the type of information that needs to be collected for each.
- ✓ Discuss the method of collecting the required information.

#### Session Plan

- This session is applicable to all four levels of AEW and CMS.

### Instructions to the Facilitator

- This session should be conducted after the following modules have been done:
  - “Idea to Execution – I HOPE”
  - “Idea Generation” – both “Newspaper Exercise” and “Problems & Solutions”.
- Also, the participants would already have been put in different teams and each team would have preferably identified a business idea for the Business Plan preparation.
- Ask “What follows the “Idea” – as per I HOPE mantra?” Response would be “Homework”.
- Ask the participants what they understand by “homework” in the context of business and you would get varied answers that could include terms like – market research, market survey, competition, feasibility study, planning for raw material, machinery and staffing etc. Prod the participants to come up with these terms as much as possible; it does not matter if there is duplication – encourage each one to speak out.
- You can now quickly sum up this part of the discussion, and prepare for the next activity as follows:
  - “In order to make sure that the business starts on a sound footing, critical information on different facets of the business is needed. Collection and analysis as well as interpretation of such information are what we have called homework.”

The homework covers the following broad facets of the business:

- **Market Research** (Covering the Product/Service you are offering)
- **Market Research** (Covering the Customer & Competition)
- **Machinery and Equipment**
- **Material** (Finished, Semi-finished and Raw)
- **Men and women** (Employees including the entrepreneur himself or herself)
- **Environmental Impact**

## Activity 1

- Make sure all participants are seated in their teams.
- If there are six teams, allocate one facet of the business to each team. If there are fewer than six teams or more than six teams, reorganize the group to form six teams so each team can have one facet of the business. (“Sometimes, it might be fun to work with persons other than those from your own Biz Plan team.”)
- Ask each team to list five relevant questions to probe the facet covered. You may illustrate with a few examples such as:
  - In the area where I want to start my business, how many households are there where both parents go to work?
  - In the area where I want to start my shop (within a 2 km radius), how many similar shops are operational?
  - I need addresses of people who supply the machinery needed for my business.
- Give the team seven minutes to list their questions and appoint a spokesperson who will read out the questions identified by the team. One minute per team for this.

(While the questions/items are being read out, they can be captured on the board or laptop with the appropriate six columns for record).

- Add any obviously missing key questions—please refer to the potential questions/items at the end of the session plan—and then move on to the next activity.

## Activity 2

- Make sure all participants are seated in their respective teams.
- Ask each team to identify the source or method by which they will obtain the answers to the questions they had listed. Give them five minutes.
- After five minutes, let each team share the methods so identified. (While this is being done, write these on the board or laptop under two broad columns without writing the headings “**Primary**” and “**Secondary**”).
- Once all have spoken, if you find that some of the methods of research have been missed out, you can explain and add them. You

Market research can help you make better decisions and improve your chances of success.

can now write the headings “**Primary**” and “**Secondary**” at the top of the columns and briefly explain the pros and cons of each. (Please refer to the write-up at the end of the session plan).

## Discussion

Are you starting a new business, expanding an existing business, introducing a new product line, or entering a new geographic market? In all of these situations, market research can help you make better decisions and improve your chances of success.

There are two types of research: **secondary** research and **primary** research. Here's a closer look at the difference between the two.

## Secondary Research

Also called **desk research**, it involves collecting data which already exists. This includes using information from reports of Government Agencies, publications of Chambers of Commerce, Trade Associations, and Internet research and company files.

Secondary research is easy to find, and much of it is free or low-cost. For instance, you can find secondary research online at government or industry websites, at your local library, on business websites, and in magazines and newspapers.

The downside of secondary research is that it is not customized to your needs, so it may not be as useful as primary market research.

**Pros of Secondary Research**- often obtained without cost, good overview of a market, usually based on actual sale figures, or research on large samples

**Cons of Secondary Research**- data may not be updated regularly, not tailored to your specific needs, expensive to buy reports on many different marketplaces.

The downside of secondary research is that it is not customized to your needs, so it may not be as useful as primary market research.

## Primary Research

Primary research is tailored to a business's specific needs and is conducted either by you or by a company that you pay to conduct the research for you. Also called field research, it involves collecting data first hand. This can take many forms, the main ones being interviews, questionnaires, panels, focus groups, surveys, field tests, and observation.

Primary research lets you investigate an issue of specific interest to your business, get feedback about your website, assess demand for a proposed service, gauge response to various packaging options,

Primary research is tailored to a business's specific needs.

find out how much consumers will pay for a new product, and more.

Primary research delivers more specific results than secondary research, which is an especially important consideration when you're launching a new product or service. In addition, primary research is usually based on statistical methodologies that involve sampling as little as 1% of a target market. This tiny sample can give an accurate representation of a particular market.

The downside of professionally conducted primary market research is that it can be expensive. Fortunately, a growing number of online tools allow you to conduct primary research, such as surveys that you can conduct yourself at very little cost.

**Pros of Primary Research-** can aim questions directly at your research objective, get latest information from the marketplace, can assess the psychology of the customer.

**Cons of Primary Research-** expensive, risk of questionnaire and interviewer bias, research findings may only be usable if comparable **back data** exists.

Many new business owners short on time and money can try to take advantage of the following. However, be careful and double check your data, and be careful of the potential pitfalls listed below:

**Using only secondary research.** Relying on the published work of others doesn't always give you the full picture. It can be a good place to start; however, make sure the information you get from secondary research is not outdated.

The downside of professionally conducted primary market research is that it can be expensive.

**Using only web resources.** While these are good sources generally, sometimes these are data pushed by interested parties and based on research funded by a trade or industry group or special interest groups and may have their biases. So double check the data with more than one secondary source.

**Surveying only the people you know.** Small-business owners sometimes interview only family members, friends and neighbors. This is a good start, but be careful since the data sample may have a limited base.

## Use Both Kinds of Research for Your Business

Savvy entrepreneurs do secondary research first and then conduct primary research. For example, the owner of a bakery shop would want to know all about a neighborhood before opening a new store there. Using information gleaned from secondary sources, the owner can uncover all kinds of demographic information, including detailed income data and spending

patterns. The owner can then send out a questionnaire to a sampling of households to find out, say, how often they're likely to buy cupcakes and how much they're willing to spend.

Secondary research lays the groundwork, while primary research fills in the gaps. By using both types of market research, small business owners get a well-rounded view of their markets.

### **Optional Reading**

- [http://www.diversestrategies.com/Small\\_business\\_homework.htm](http://www.diversestrategies.com/Small_business_homework.htm)
- <http://www.entrepreneur.com/article/218130>
- <https://bizhub.anz.co.nz/resources/the-importance-of-market-research.aspx>

**Sample of questions & information and how to obtain it.**

**Illustrative but not exhaustive.**

| Sr.No.   | Facet              | WHAT?<br>(Question/Item)                                                 | HOW (Method)                  |                           |
|----------|--------------------|--------------------------------------------------------------------------|-------------------------------|---------------------------|
|          |                    |                                                                          | Primary                       | Secondary                 |
| <b>1</b> | <b>Customer</b>    |                                                                          |                               |                           |
|          | a                  | How many people have a monthly income more than Rs.5,000?                | Survey;<br>Questionnaire      | Through Census Data       |
|          | b                  | How many women of age 20 to 40 are in my neighborhood?                   | Survey;<br>Questionnaire      | Through Census Data       |
|          | c                  | Average amount spent in a beauty parlor                                  | Survey;<br>Questionnaire      |                           |
|          | d                  | Types of services made use in the parlor                                 | Survey;<br>Questionnaire      |                           |
| <b>2</b> | <b>Competition</b> |                                                                          |                               |                           |
|          | a                  | Number of Beauty Parlors in a 2 km. radius of my proposed location.      | Observation or walking around | From the Municipal office |
|          | b                  | Rates charged by different parlors                                       | Published Rate Card           |                           |
|          | c                  | Average number of customers per parlor                                   | Observation                   |                           |
|          | d                  | Seasonality pattern of demand – days of week or month.                   | Observation,                  |                           |
| <b>3</b> | <b>Machinery</b>   |                                                                          |                               |                           |
|          | a                  | Types of appliances needed and their cost as well as capacity, life etc. | Appliance Supplier            | Yellow Pages              |
|          | b                  | Names of Machinery Supplier                                              |                               | Web site, Yellow Pages    |
|          | c                  | Maintenance Costs                                                        | Appliance Supplier            |                           |
|          | d                  | Power Requirement                                                        | Specification                 |                           |
| <b>4</b> | <b>Material</b>    |                                                                          |                               |                           |
|          | a                  | Sources of Raw Materials and Consumables                                 | Industry Contacts             | Industry Publications     |
|          | b                  | Alternate sources and/or alternate material                              | Industry Contacts             | Industry Publications     |
|          | c                  | Seasonality of supply                                                    | Potential Suppliers           |                           |
|          | d                  | Economic Order Quantity & Transport Cost                                 | Potential Suppliers           |                           |
| <b>5</b> | <b>Men</b>         |                                                                          |                               |                           |
|          | a                  | Availability of Trained People                                           | Industry Contact              | Training Institute        |
|          | b                  | Number of people needed                                                  | Industry Contact              |                           |
|          | c                  | Prevailing Wage Structure                                                | Industry Contact              | Labor Department          |
|          | d                  | Training Requirement                                                     | Machinery Supplier            |                           |

| Sr.No.   | Facet                       | WHAT?<br>(Question/Item)        | HOW (Method)     |                           |
|----------|-----------------------------|---------------------------------|------------------|---------------------------|
|          |                             |                                 | Primary          | Secondary                 |
| <b>6</b> | <b>Environmental Impact</b> |                                 |                  |                           |
|          | a                           | Need for any special permission |                  | From the Municipal office |
|          | b                           | How to handle waste             | Industry Experts |                           |
|          | c                           | How to monitor Pollution        | Industry Experts |                           |
|          | d                           | Environment Friendly Packaging  | Packing Experts  |                           |

## 13. The Marketing Mix: 7 P's of Marketing

The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself.

–Peter F. Drucker

### Learning Objective

- ✓ To understand the difference between Selling and Marketing.
- ✓ To know what makes the marketing mix and how to create the mix that suits your business the best.
- ✓ To have a marketing plan for your business.

### Recommended Time Allocation

Opening Remarks ..... 5 minutes  
Activity..... 30 minutes  
Final Questions, if any...: 5 minutes

### Applicable Levels for this Session

This session is applicable to all four levels of AEW and CMS.

However like many of our modules, at the highest level, or when students have taken the marketing course, some of them may find part of the material basic. It is therefore important for the Facilitator to point out that:

1. The concepts in marketing are universally the same. While it is important that the students learn them, it is more important that the students go beyond just learning what the P's are. The purpose of this lesson is that the students begin to make a judgment as to which of the 7 P's are of more value to their business and which ones are not. For this reason, we start with the P's but then, do away with the theory, keep it simple and use our participatory methodology. The P's are like a menu at an à la carte restaurant: You don't have to order all the dishes

The purpose of this lesson is to teach the participants how to discern the value of the different P's for their business.

or in the same portion. We want our students to acquire the ability to discern the value of the different P's for their business.

2. Secondly and less importantly, consistent with I Create's philosophy, I Create has added two more P's – People and Philanthropy. These will be covered later.

- Ask the students in the class to volunteer their understanding of:
  - Marketing
  - Selling

#### Note for the Facilitator

Sometimes there is confusion between Selling and Marketing. Sometimes people also use marketing interchangeably with “shopping”. When you ask someone who has gone shopping, they might say they went marketing (they mean to say “they went to the market”).

As a first step, during the above question answer session, provide a clarification between Marketing, Selling and, of course, Shopping. Marketing consists of all those activities which support sales, but it is NOT Selling. Principally, marketing consists of educating the customer about the product or service you are providing. A sale, on the other hand, is the process of actual exchange of a product or service in return for money or other compensation.

One can market a product or service without actually having produced the product. For example, you can announce and educate the customer through advertisement about your product or service and when it will be available such as opening of a restaurant, availability of apartment for rent etc. For the actual sale to take place, the product or service has to be available

**Tip to the Facilitator:** In giving the above example, you can ask the students, “Why is the second example an act of selling even though you are offering it for rent and not for sale?” (The answer may come that offering an apartment for rent is a service you are offering as a rental agency or even as an owner. So the product you are selling here is a service.)

Now if Marketing is about educating the customer – what do we educate him/her about and how do we do it? This process is known as the marketing mix. To make it easy for students to remember, the elements of the marketing mix are often categorized by words that start with P in English, thus, the 7 P's of Marketing.

Marketing consists of all those activities which support sales, but it is not Selling.

## Activity

Ask each team to develop their marketing mix for the product/service idea in their Biz Plan by answering the questions that follow. Please explain that when they come up with their answers, they should also explain why they came up with that answer. In other words, they should not just say what their choice is, but should also explain the rationale for it. Let's say they are discussing their choice of the "place" (one of the marketing P's) for their business. So, they may say they want to open a canteen and decide to offer their canteen service near a college because none exists nearby.

Ask the teams the following questions:

- What is the product or service that you are offering? List/identify the characteristics of the product/service as applicable, such as: Design, Packaging, Specification, Color, Size, Functionality, Brand name etc.
- Where will it be available? Where will you distribute or sell it?
- At what price will it be available? Any price promotions?
- How will you reach your targeted customer with this information?
- How will you ensure that your target customers would prefer your product and not that of your competition?
- What kind of image do you want to give your product/service? Luxury, Premium, Value, Bargain etc.
- What other actions will you take to ensure that your current customers, employees, suppliers and community at large prefer you over others?

After the groups have done their team work, get the discussions going and derive the seven P's of marketing from their answers. For that, make seven columns on the board (without headings) and place the information received from the participants/teams under the appropriate columns. In the end, you can place the headings for the columns **Product**, **Price**, **Place**, **Promotion**, **Positioning**, **People** and **Philanthropy**. (Don't be overly concerned if no one has given an answer that falls under the Philanthropy category.)

Remember, it is important that with each answer they provide a rationale for it. Pursue the rationale a bit more with the team if either the answer is not fully clear, or is not quite applicable to the product or service.

### Important Note to the Facilitator

The purpose of this class is to have the class thinking creatively and not checking the marketing mix boxes. The more you encourage this, the greater would be the value of this session to the students. It is important that they learn why they picked up a particular 'P' for their business plan and not some other 'P'.

Also let the students know at this stage that since most small businesses are likely to be on a small budget, they may not be able to hire Shah Rukh Khan to promote their business ;). So they will be given a lesson on "How to promote their Business Inexpensively (Sa re ga ma pa)."

---

### Required Background Reading for the Facilitator in planning the above lesson—The Seven P's of Marketing

#### Product

What is your product? Is it a product or a service? Does your product or service meet the needs of your customer? Possible characteristics of your product

- Shape
- Design
- Packing
- Color
- Utility
- Quality

#### Price

What is the price the market will bear based on how you have positioned the product?

What is your competition's price?

What is the cost of the unit and the breakeven point as a starting point?

What kind of discount or price offer would be appropriate?

#### Place

What is the best place for you to offer your product or service? Your own store? In a large store? If so, where in the store would you like to place the product? Is home a good place to offer the service or product? Etc.

### Promotion

Promotions can be in different forms—price, media, place. The following are choices for media/publicity.

- Newspapers and magazines
- Advertisements
- Posters
- Phone Calls
- Exhibitions
- Radio/television
- Hand bills
- Door to door publicity by Word of Mouth

It is important that the students use their limited promotion budget very judiciously. (Also please go over Sa Re Ga Ma Pa for preparation of the 7 P's lesson.)

### Positioning

Position your product according to the customers you want to reach and the image you want to create in their minds about your product or service. It could be based on

- Age
- Sex
- Purchasing power
- Economic level
- Community

Positioning is about building an image in the minds of the customer. For example, one company may position its soap as beauty soap for women (such as LUX), while another company or brand may position it as health soap for men (like Dettol). Mercedes Benz is positioned as a 'Luxury Car' and Tata Nano as a 'Utility Vehicle'. **It is important that once you have decided how to position your product, the entire marketing mix is designed to create that positioning.**

### People

Customers and employees are some of the key people in your business. The way an entrepreneur treats his customers and his employees directly affects the success of his business.

**Customer** – How do you create the image of your business as an honest one in the minds of your customers? How is your relationship with your customers? Is your sales staff polite and respectful?

**Employees** – Do you give a fair wage? Do you treat them with respect?

**Philanthropy**

**You can think of creative ways of giving that will also help your business. For example, if you have a sports equipment business, you could sponsor an annual cricket match for the local community. This will create goodwill among the potential buyers of your product and give it publicity.**

.....

**Further Reading**

- [http://wiki.answers.com/Q/The\\_Difference\\_Between\\_Selling\\_and\\_Marketing](http://wiki.answers.com/Q/The_Difference_Between_Selling_and_Marketing)

## 14. Pricing (An Important “P” of the Seven P’s in the Marketing Mix)

Pricing is a Policy; Cost is a Concept  
and Expenses are real!  
*- Anonymous*

### Learning Objective

- ✓ Understanding the key factors affecting the pricing of a product or service.

### Session Plan

| Recommended                                             | time | allocation: |
|---------------------------------------------------------|------|-------------|
| Discussion.....                                         |      | 5 minutes   |
| Activity.....                                           |      | 20 minutes  |
| Overall comments and NY Times Story by Facilitator..... |      | 5 minutes   |

### Discussion

Lead the discussion by posing the question “What is Price?”

From the many responses you will get — like “the cost of the product”, “what you pay to get what you want to buy”, “MRP printed on the packet” etc. — you can select the most appropriate one that comes close to the following:

“Price is ultimately the amount which the buyer is willing to pay and seller willing to accept for a product or service.”

### Activity

- Next question to ask is, “What are the factors that go into the pricing decision?” As the price is to be mutually agreed upon, it is critical to look at the factors “Buyers” and “Sellers” consider important for their buying or selling decision based on price.

- 
- Divide the class in four groups: one group should represent a manufacturer, one a retailer, one a customer group (male), and one a customer group (female).
    - a. Give them seven minutes to identify the points their group considers as the five most important factors (*and the reasons thereof*), that determine their pricing decision — as a seller, in the case of the manufacturer and the retailer, and as a customer, for the other two groups. (In the case of buyers, pricing decision is what they are willing to pay for a product or service.)
    - b. Each group can choose the individual product or service they are selling or buying.
    - c. Each group should decide among themselves who is their group's target customer.
    - d. Each group should appoint a spokesperson who will tell the group's answers to the class. (Ask them to appoint someone who has not had a chance to be the spokesperson in the various sessions so far.)
  - After the seven minutes are over, invite each spokesperson to the front of the class and ask him/her to describe “b” and “c” above first, and then explain the factors as per “a” above. While the spokesperson speaks, ask another member of the group to write the points on the board or the flipchart. Paste the individual flipchart sheets in a separate place so all of them are visible to the entire class. (If the presentation is being projected, ask the class to make notes of each of the group's answers in their notebooks.)
  - Now, invite the class to comment on any of the items. They can disagree, but must explain why or add some new point and explain why. Allow about 10 minutes for this discussion.
  - Your role would be to add or modify the factors and help the class come up with the rationale for their responses, and to add any more points needed from the ones given below.

The facilitator's role should be to add or modify the factors and help the class come up with the rationale for their responses, and to add any other required points.

---

### For Facilitators

(For further classification, these factors have been categorized as internal and external factors.)

#### Illustrative Internal Factors

**Costs Incurred:** The entrepreneur has to recover all the costs incurred. So this is an important factor. (Very often you may get suggestions like raw material cost, transport, machinery etc. All of them put together are what we refer to as Costs Incurred.)

**Expected Profit:** Since the primary reason one is in business is to earn profit, the element of profit is an important factor.

**Shelf life of the Product:** Very often one sees prices being reduced as the expiry date of a product approaches or if the product is likely to perish (for example, fruits & vegetables in the evening).

#### Illustrative External Factors

**Price of Competitive Product or Service:** If there are others providing a product at Rs.1,500 a piece, your price for a similar product will have to have a bearing on this price. Another good example is bus charges from point A to point B. Two service providers offering service from point A to point B would be forced to charge similar amounts if both are competing for the same customer.

**Indirect (Substitute) Product Price:** As the money with customers is often finite, they will look for the best value for their money. If a plate of Pakodas is Rs.100 and a similar sized Bhel Puri is Rs.200, then chances are more people will go for Pakodas to stretch the limited budget they have.

**Seasonality of Supply:** If a product or commodity is seasonal in nature, at the beginning of the season the prices will be higher than at the peak or end of the season.

**Seasonality of Demand:** Prices tend to be higher during festive seasons — Diwali, Pooja, Ganesha Festival, Marriage Season, Ramadan, Christmas etc. — because of higher demand.

**Purchasing Power:** The pricing is also dependent on the affordability of the customer. Your product may have the best features but if price exceeds what a customer can afford, it would be difficult to sustain the business for a long time.

---

**Snob or Prestige Value:** There are some who buy a product just to make a statement. They usually purchase only products that are premium brand names. For example, they would buy only "Peter England" shirts or a watch like "Rolex" or a pen like "Mont Blanc". The makers of these products are able to price these products at a much higher level than the cost can justify. Sometimes, such customers are looking for exclusive products and will be inclined to buy the product simply if it has a high price tag.

**Elasticity:** This is the other side of Supply/Demand coin. Demand for essential commodities remains inelastic, whereas for luxury items, it is elastic. Inelastic means demand for the item remains constant (over a certain period of time) even if prices go up. For luxury items, demand may drop when prices go up and vice versa.

**Government Policies:** Sometimes, the government regulates the prices such as for utility rates (electric, cell phone), medicines, fares etc.

**Transaction Convenience:** In single product retail trade, shortage of change is a problem. So the price is kept at a level that is convenient for transaction. Examples – newspaper Rs.3 (and not 2.87), tender coconut Rs.10 (not 9.35), packet of chips Rs.10.

\*\*\*\*\*

Finally, you should end the class with the story from NY Times, April 2013, given below. (Language changed for easy understanding.)

### **Sometimes, We Want Prices to Fool Us**

WHEN the board of J. C. Penney ousted its chief executive, Ron Johnson — news that broke recently — you might say it was, in some small way, because he didn't understand Mrs. Mary Thompson.

Mrs. Mary Thompson, who lives in Edison, New Jersey, plans meals around discounts offered at the grocery store and always checks coupons in the newspaper and flyers before buying clothes. When, a little over a year ago, J. C. Penney stopped promoting sales and offering coupons and instead made a big deal about its "everyday" low prices, Mrs. Thompson stopped shopping there. It wasn't that she thought the prices were bad, she said. She just wasn't having anyfun.

"It may be a decent deal to buy that item for \$5," said Mrs. Thompson "But for someone like me, who's always looking for a sale or a coupon, seeing that something is marked down 20 percent off, then being able to hand over the coupon to save, it just entices me," she said. "It's just the way I get my salefix."

Devoted coupon users like Mrs. Thompson may be more frugal than the typical consumer. But most shoppers, coupon collectors or not, want the thrill of getting a great deal, even if it's an illusion.

The change in policy of J.C. Penny to have **a low price every day** instead of having **coupons, specials** and **sales** caused a 25% or \$5 billion drop in sales in 2012.

In recent months, JC Penney recognized this human trait and backtracked on its pricing policy, offering coupons and running weekly sales again. **And it started marking up items to immediately mark them down for the appearance of a discount.**

### **Suggested Optional Reading**

- <http://www.knowthis.com/principles-of-marketing-tutorials/pricing-decisions/factors-affecting-pricing-decision/>
- <http://www.strategicbusinessteam.com/small-business-marketing-strategy/7-critical-factors-that-will-influence-the-pricing-of-your-product/>
- <http://www.netmba.com/marketing/pricing/>
- [http://entrepreneurs.about.com/od/salesmarketing/a/pricingstrategy\\_2.htm](http://entrepreneurs.about.com/od/salesmarketing/a/pricingstrategy_2.htm)



## 15. Business Arithmetic: Overview

Accounting is crucial for running a business. And, at a micro business level, it is not much more than basic arithmetic

*-Anonymous*

Most people freeze in their tracks the moment they hear the word “accounting”. That is because accounting has been made into a “complex subject”. However, we are not trying to create accountants but entrepreneurs. And successful entrepreneurs need to understand basic accounting concepts in a simple manner. For that, they need to have very simple and basic arithmetic abilities — addition, subtraction, multiplication, division and basic concept of percentage. This will help the entrepreneurs understand the fundamentals of the business numerically. Anything beyond this would be the accountant’s job.

An entrepreneur with average arithmetic skills can manage the crucial cash flow and basic book keeping of his/her business reasonably well.

At I Create, consistent with our approach to simplify and demystify business, we have made extraordinary efforts to simplify accounting by using easy everyday words rather than technical words used by professional accountants. (There will always be those in the class who have an accounting background. Please mention right in the beginning of each accounting module that the program is intentionally basic and simple, so that those with even zero accounting background can also understand.) Secondly, we teach accounting by simple exercises and, as people practice, they will find accounting become progressively easy. So the key is to “jump in”, and yes, the trainees will make some mistakes, and “gulp some water”, but soon they will become comfortable with basic accounting, so essential for a small business owner.

As you do these sessions, do encourage the participants to ask questions, even if they sound simplistic, and if needed, repeatedly.

The following seven sessions are to be taken in the sequence in which they are indicated:

- 6.1 Cash Book (One Session)
- 6.2 Types of Costs (One Session)
- 6.3 Unit of sale, Unit Cost and Unit Price (One Session)
- 6.4 Income Statement & Break Even Analysis (Two Sessions)
- 6.5 Cash Flow Projections (One Session)
- 6.6 Business Arithmetic Revision (One Session)

**Important Note**

- Do not plan these sessions continuously one after another. Spread them over a period of two or three days.
- While moving from one session to the next, recap the previous session discussion.
- Income Statement and Break Even Analysis have been allocated two sessions. The first is to discuss the case of Savita Saree Shop – Income Statement and the second for the Break Even Analysis, after having done the income statement with simpler examples (as given in the session plan) and basic Break Even discussion in the previous session.
- Have a seventh session for the revision of the earlier six business arithmetic sessions. Ask the class what they want you to go over in the seventh session. (This extra session is being added in response to the feedback at training sessions asking for more time for accounting.)
- In spite of all of this, the participants may still have questions while they are doing the Business Plan. Without giving answers to specific computational questions, do explain the concept again.

## 16. Cash Book – What, How and Why

Never spend your money before you  
have earned it.

*–Thomas Jefferson*

### Learning Objectives

- ✓ Understand the various sources of money coming in to the business and the different ways money is spent by the business.
- ✓ Understand the importance of keeping track of inflows and outflows.
- ✓ Learn how to keep a record of money received and paid – in a simplified manner.
- ✓ Understand that cash balance in the cash book is not necessarily the profit.

### Session Plan

Brief introduction about the session.....3 minutes  
Activity – sources & uses of money ..... 12 minutes  
Cash book Format.....: 3 minutes  
Cash book Exercises..... 17 minutes  
Discussion and summing up ..... 10 minutes

### Materials Needed

- Note book
- Exercise Hand out
- Blank Cash Book form

### Brief Introduction

- The importance of cash (money) in business is similar to that of blood in the human body. In business, all transactions are made by paying or receiving money (not barter trade), or equivalent of cash such as checks. Sometimes when the businesses have trust in people, cash does not cross hands but instead they are given “credit” or “loan” with an understanding that cash will be paid at some later date and loan considered paid.

- All these cash transactions are recorded in a note book called a cash book. (In accounting language, the cash book is a book of original entry. The accounting term “entry” simply means making a note of the cash received or given, or entered in the cash book.)
- Maintaining a cash book is essential for every business.
- You can use the example of a homemaker who has to manage the household expenses and for which she keeps record, or children who keep records of pocket money, to emphasize that at every level, keeping record is essential for good money management and control.
- Before we start recording the receipts and payments, let us understand the various ways by which money comes in to the business and is spent by the business. Let us do an activity. We can call receipts of cash as inflow, and payments of cash as outflow.

### Activity — Sources and Uses of Money:

- Ask each participant to take a sheet of paper and draw a vertical line in the center.  
  
Each participant should write down, on the left side of the sheet, at least five ways in which money comes in to the business – **inflow or receipts**. Give one minute for this.
- In the next two minutes, ask them to write on the right side of the sheet, at least 10 ways by which money is spent by the business – **outflow or payment**.
- Please make sure that the participants are sitting in their groups/teams (which were formed earlier). After they have made their individual lists, ask them to consolidate their lists – thus making **one inflow list** and **one outflow list** per team/group. Ask them not to list the same item more than once in the consolidated list.
- Go around the class and ask each team to give one reason for inflow and two for outflow. Tell the teams that they should listen carefully and not repeat what has been given by earlier teams. As others call out items, they may place a tick mark next to the item in their list.
- As the teams give the reasons from their list, you should either write them down on the board or the flip chart or enter them in the spreadsheet on the laptop and project it using the LCD projector.

- If a team does not have anything to add, they can say “pass”.
- You should typically stop after three rounds. By this time, you would have accumulated sufficient number of inflow and outflow reasons.

**TIPS**

- While this activity is needed for all levels of AEWs, at Level 1, writing may not be possible. You might have to depend on oral presentations by participants.
- The number of reasons given by the participants generally tends to be higher at higher levels of AEW.
- To assist you in supplementing the discussions and list generated from participants, a typical list of inflows and outflows is given below. This is not exhaustive. You may add your own. But please keep the time available in mind.

| Inflows                                              | Outflows             | Outflows          |
|------------------------------------------------------|----------------------|-------------------|
| Owners' Equity or own money invested in the business | Land                 | Salary            |
| Loan Received                                        | Building             | Wages             |
| Sales Receipts                                       | Plant & Machinery    | Bonus             |
| Interest Earned                                      | Furniture & Fixtures | Employee Benefits |
| Subsidy Received                                     | Interior Decoration  | Advertising       |
| Sale of Assets                                       | Tools                | Rent for Premises |
| Claims Received                                      | Computers            | Interest on Loan  |
| Govt. Subsidy Received                               | Raw Material         | Insurance premium |
| Sale of Scrap                                        | Packing Material     | Travel            |
|                                                      | Transportation       | Sales Commission  |

**Cash Book Format**

Accounting text books and accounting teachers would normally provide a very detailed format — with many columns — for maintaining the cash book. In line with the KISS (Keep it Simple Sahib or Sahiba or Keep It Short & Simple) principle, we have designed a simplified format. This has 6 columns for CASH only and 9 columns for CASH & BANK.

Please note that we have avoided technical jargon like Debit (Dr.), Credit (Cr.), To, By etc. These are of course needed for accountants but not for the grassroots or small entrepreneurs.

Initially, introduce only the CASH format of cash book. Once that has been understood and an exercise has been done, then introduce the CASH & BANK format, followed by another exercise. Before doing the second exercise (Cash and Bank), explain the concept of check. Also, you would do the second exercise with a group where members are either already familiar with basic banking or plan to open a bank account.

Please see below for exercises.

While the forms are self-explanatory, please go through the columns and explain what is to be filled there.

Please reinforce that for every transaction being recorded there must be a description — even if it is not very formal, e.g., money spent on auto, cup of tea at road side vendor etc.

**Cash book format for Cash only**

| Date | Description | Ref No.<br>(Voucher or Bill) | Cash Received | Cash Paid | Cash Balance |
|------|-------------|------------------------------|---------------|-----------|--------------|
|      |             |                              |               |           |              |
|      |             |                              |               |           |              |
|      |             |                              |               |           |              |

**Cash book format for Cash and Bank**

| Date | Description | Ref No.<br>(Voucher/Bill) | CASH       |           |              | BANK           |              |              |
|------|-------------|---------------------------|------------|-----------|--------------|----------------|--------------|--------------|
|      |             |                           | Cash Recd. | Cash Paid | Cash Balance | Check Received | Check Issued | Bank Balance |
|      |             |                           |            |           |              |                |              |              |
|      |             |                           |            |           |              |                |              |              |
|      |             |                           |            |           |              |                |              |              |

### Cash Book Exercises

There are two exercises – Cash only and Cash & Bank. Each participant gets a write up for each and a blank form for filling. **Please do not distribute both exercises at once.** Take up the second, after the first one is completed.

Forms are included in the session plan, for making copies.

Give about five minutes for each exercise. After five minutes, place a blank sheet on the flip chart (or LCD) and ask each group to give answers for one transaction at a time and ask the rest of the class to say whether it is right or wrong. After completion of both the exercises, you can move on to the discussion and summing up part of the session.

#### Note about Credit Transactions

While credit (whether given or taken) transactions do not get entered in the cash book, it is very important for the entrepreneur to keep track of these and make appropriate entries in the cash book. To help achieve this, a simple format like the one below would be helpful. It will also ensure that tallying or reconciliation becomes easy.

Also, note, we encourage our entrepreneurs to keep all transactions as cash and not give credit. This is sometimes difficult but must be kept to a very minimal level; otherwise, the entrepreneur often ends up spending more time in collecting credit and losing money when the creditors don't pay.

#### Record of Credit Transactions

| Sold on Credit |        |             |                     |                              | Bought on Credit |        |             |                 |                              |
|----------------|--------|-------------|---------------------|------------------------------|------------------|--------|-------------|-----------------|------------------------------|
| Date           | Amount | Description | Date money received | Date Entry made in Cash Book | Date             | Amount | Description | Date money paid | Date Entry made in Cash Book |
|                |        |             |                     |                              |                  |        |             |                 |                              |
|                |        |             |                     |                              |                  |        |             |                 |                              |
|                |        |             |                     |                              |                  |        |             |                 |                              |
|                |        |             |                     |                              |                  |        |             |                 |                              |
|                |        |             |                     |                              |                  |        |             |                 |                              |
|                |        |             |                     |                              |                  |        |             |                 |                              |
|                |        |             |                     |                              |                  |        |             |                 |                              |

**NOTE**

**These exercises are not useful for AEW Level 1. A separate game, as explained later, is to be introduced for them.**

**Exercise 1 – Cash Transactions Only**

Ratan Singh is an owner of a shop in a three-star hotel at Ranthambore. He sells T-shirts and mementos to the tourists at that shop. He also takes a stall on rent at crowded places on a daily basis. Details of daily transactions for the month of July are given below. Let us suppose he started his business with an opening balance of Rs.30,000

1. On July 01, to start his business, he buys some furniture and basic supplies that cost him Rs.15,000
2. On July 2, he buys 3 dozen T-shirts @ Rs.1,200 per dozen.
3. On July 6, he decides to sell the T-shirts at the temple area on the forthcoming Sundays. And for that, he pays an advance rent of Rs.100 per day. Apart from that he spends Rs.200 for the banners and Rs.50 for handbills.
4. On July 7, he sells all the T-shirts @ Rs.200 per piece.
5. On July 10, he again purchases five dozen T-shirts @ Rs.1,200 per dozen.
6. On July 14, he sells four dozen T-shirts at Rs.200 per piece and the remaining T-Shirts at Rs.190 per piece.
7. On July 16, Ratan Singh again purchases five dozen T-shirts @ Rs.1,200 per dozen. He spends Rs.500 on commissions and Rs.300 more on pamphlets and Rs.100 on another banner.
8. On July 21, Mr. Singh sells 3 dozen T-shirts @ Rs.200 per T-shirt.
9. On July 25, he purchases 3 dozen T-shirts at Rs.1,200 per dozen and manages to sell all his T-shirts @ Rs.200 per piece on that same day.
10. He pays the tea expenses of Rs.300 for the current month on July 31.

Please prepare a cashbook, as if it has been done on a daily basis and calculate the closing balance. Is his closing balance his profit for the month of July? Please discuss.

Entrepreneurs should keep all transactions as cash and not give credit. This is sometimes difficult, but must be kept to a very minimal level; otherwise, the entrepreneur often ends up spending more time in collecting credit and losing money when the creditors don't pay.

### **Exercise 2 – Cash and Bank Transactions**

Ms. Laxmi, who runs a stationery store, has the following transactions. Please help her with the Cash book for her operations.

1. On 1st of January, she has Rs.12,500 in cash and Rs.25,000 in her bank account.
2. On 3rd January, she makes a cash sale of Rs.9,500.
3. On 4th January, she receives a check for Rs.6,000 from Excel Company for sales made in December.
4. On 6th January, she buys filing cabinets and makes a check payment of Rs.5,000.
5. On 6<sup>th</sup> January, she makes cash payment of Rs.15,000 for various stationery items purchased.
6. On 7th January, she withdraws cash of Rs.5,000 from her checking account.
7. On 8th January, she pays salary of Rs.5,000 to her sales girl.
8. On 9th January, she pays the monthly rent of Rs.2,500 by check.
9. On 10th January, she deposits Rs.5,000 in her bank account.

Please prepare a cashbook, as if it has been done on a daily basis and calculate the closing balance.



IMAGE COURTESY OF PATPITCHAYA / FREE DIGITAL PHOTOS.NET



**Ratan Singh's Cash book (Exercise 1)**

| Date    | Description               | Ref No.<br>(Voucher/Bill) | Cash<br>Received | Cash<br>Paid | Cash<br>Balance |
|---------|---------------------------|---------------------------|------------------|--------------|-----------------|
| July 1  | Opening Balance           |                           |                  |              | 30,000          |
| July 1  | Purchase of Furniture     | 1234*                     |                  | 15,000       | 15,000          |
| July 2  | Purchase 3 Dozen T Shirts | 2345*                     |                  | 3,600        | 11,400          |
| July 6  | Rent, Banner & Handbill   | 3456*                     |                  | 350          | 11,050          |
| July 7  | Sale of 3 Dozen T Shirts  | 4567*                     | 7,200            |              | 18,250          |
| July 10 | Purchase 5 Dozen T Shirts | 4567*                     |                  | 6,000        | 12,250          |
| July 14 | Sale of 5 Dozen T Shirts  |                           | 11,880           |              | 24,130          |
| July 16 | Purchase 5 Dozen T Shirts |                           |                  | 6,000        | 18,130          |
| July 16 | Paying Commission         |                           |                  | 500          | 17,630          |
| July 16 | Banner & pamphlets        |                           |                  | 400          | 17,230          |
| July 21 | Sale of 3 Dozen T Shirts  |                           | 7,200            |              | 24,430          |
| July 25 | Purchase 3 Dozen T Shirts |                           |                  | 3,600        | 20,830          |
| July 25 | Sale of 5 Dozen T Shirts  |                           | 12,000           |              | 32,830          |
| July 31 | Monthly Tea Expenses paid |                           |                  | 300          | 32,530          |
|         | TOTAL                     |                           | 38,280           | 35,750       |                 |

\* Sample voucher nos.

**Questions for Discussions**

1. Is Rs.32,530 his profit for the month of July? Or Rs.2,530 (= 38,280-35,750) his profit? Why?
2. Can his actual cash in the cash box be different from Rs.32,530 on 31st July? Why? What does it mean?

Balance in the cashbook (or the cash box) does not represent the profit.

**Tip:** Using these questions for discussions, you should be able to reinforce the following:

- Balance in the cashbook (or the cash box) does not represent the profit.
- It is important to write the cash book regularly (daily or even more frequently) to ensure no transaction is missed out.
- Every transaction, however small, must be recorded immediately.

**Lakshmi Stationary Stores (Exercise 2)**

| Date   | Description             | Ref No.<br>(Voucher /Bill) | CASH          |               |              | BANK           |               |              |
|--------|-------------------------|----------------------------|---------------|---------------|--------------|----------------|---------------|--------------|
|        |                         |                            | Cash Recd     | Cash Paid     | Cash Balance | Check Received | Check Issued  | Bank Balance |
| Jan 1  | Opening Balance         |                            |               |               | 12,500       |                |               | 25,000       |
| Jan 3  | Sale                    |                            | 9,500         |               | 22,000       |                |               | 25,000       |
| Jan 4  | Paid by M/s. ABC & Co.  |                            |               |               | 22,000       | 6,000          |               | 31,000       |
| Jan 6  | Filing Cabinet Purchase |                            |               |               | 22,000       |                | 5,000         | 26,000       |
| Jan 6  | Purchase of Stationary  |                            |               | 15,000        | 7,000        |                |               | 26,000       |
| Jan 7  | Cash Withdrawal         |                            | 5,000         |               | 12,000       |                | 5,000         | 21,000       |
| Jan 8  | Salary Paid             |                            |               | 5,000         | 7,000        |                |               | 21,000       |
| Jan 9  | Rent Paid               |                            |               |               | 7,000        |                | 2,500         | 18,500       |
| Jan 10 | Deposit to Bank         |                            |               | 5,000         | 2,000        | 5,000          |               | 23,500       |
|        | <b>Total</b>            |                            | <b>14,500</b> | <b>25,000</b> |              | <b>11,000</b>  | <b>12,500</b> |              |

**Questions for Discussion**

1. Will the closing balance shown under bank balance always match with the balance in the pass book/ bank statement? Why?
2. Only the transactions on 7th January and 10th January have two entries; others have only one entry. Why?

You may also bring in the concept of ATM machine and explain that money being withdrawn from ATM is like Check Issued and there will be two entries – check issued (hence out flow from bank) and a similar amount received as cash.

**NOTE**

**Power Point Presentation:** You may use it as appropriate to supplement your talk and discussion, or for lesson preparation. However, it is best to keep the module interactive and not dependent on the Power Point presentation.



## 17. Types of Costs

Pricing is a policy, cost is a concept  
but expenses are real!

–Anonymous

### Learning Objectives

- ✓ Learn about types of costs in a business.
- ✓ Understand the characteristics of each type of cost.
- ✓ Learn about the sources of funding for each type of cost.
- ✓ Plan cash needs for a business.

### Session Plan

Activity..... 20 minutes

Discussion.....: 7 minutes

Conclusion.....: 3 minutes

### Activity

- Ask each participant to think of 10 different cost items in starting or running the business they have selected and write it down on a piece of paper. Remind them to write specific items rather than broad categories of cost. So it should not be 'Marketing' but instead it should be 'bill boards', 'TV advertising', 'Brochures' etc.). Also emphasize that at this stage **amounts are not needed**, only the reason for the expense.
- You can remind the participants that part of this exercise was done in the CASH BOOK lesson – when identifying the items in cash outflow.
- Give them 3 minutes to complete this.
- For the next 4 to 5 minutes, ask the participants to discuss with their teams and come up with a consolidated list of expenses.
- In the meantime, make three columns – without any headings – on the writing surface or the Laptop (Excel Sheet), for you to enter responses from the teams.

**Tip for the Facilitator**

The three columns are for **“Start Up Cost”**, **“Fixed Cost”** and **“Variable Cost”**. Please do not write them yet.

Keeping these headings in mind, place the “expense item” given by the team (see below) in the appropriate column.

- Now ask each team to give two reasons for which they need money. Also remind other teams that they should listen carefully and avoid repeating what has already been stated. Ask them to put a tick in their list if it has already been stated or add it to their list if it was not originally there.
- Go around at least three times to cover the majority of points. Teams can say “pass” if they do not have anything to add. This should take about 5 to 6 minutes – thus a total of about 13 to 15 minutes from the start.

At the end of these 15 minutes your flip chart, board or spreadsheet on the LCD projector should look like the following table:

|                                |                     |                           |
|--------------------------------|---------------------|---------------------------|
| Land                           | Travel              | Raw Material              |
| Building                       | Salary              | Packing Material          |
| Computers                      | Wages               | Freight inward & outbound |
| Equipment                      | Rent                | Sales Commission          |
| Machinery                      | Telephone           | Royalty                   |
| Vehicles                       | Water               | Factory Power             |
| Vessels                        | Office lighting     | Piece rate                |
| Software                       | Office stationary   |                           |
| Registration                   | Employee welfare    |                           |
| Inauguration Pooja or ceremony | Donation            |                           |
|                                | Advertising         |                           |
| Raw Materials                  | Insurance premium   |                           |
| Salary during initial period   | Consultancy charges |                           |
| Deposits                       |                     |                           |
| Rent advance                   |                     |                           |
| <b>Start Up Cost</b>           | <b>Fixed Cost</b>   | <b>Variable Cost</b>      |

- Once a sizeable list like this one is arrived at, you should take up each column and pose the question – “Why did I group these together?” You will very often hear terms like – Fixed Assets, Fixed Costs, Overhead, Major Expenses etc. You have to, through probing and cross questioning, get them towards “Start Up Cost”, “Fixed Cost” and “Variable Cost”.

Some of the questions that are helpful for such prodding and directing are:

- When are these incurred?
- How often are these incurred?
- How does the amount of this cost vary or what does it depend upon?
- Will you be happy if these costs increased? or decreased?
- After this discussion and getting the participants to arrive at the correct headings (on their own or with probing), you can use the following to sum up the concept of the types of costs and also use the **Power Point Presentation**, where appropriate. Do not forget the chocolates for good, interesting or thought provoking responses!

---

## Start Up, Fixed and Variable Costs

Expenses or costs incurred to start and run a business can be classified into two broad categories — (i) Start Up Costs and (ii) Operational Costs (which will include fixed and variable costs)

**Start-up Costs** consist of expenses for (a) acquiring assets, as well as (b) for acquiring initial raw material and other related items of initial expenses, till such time the cash flow from the business can provide for these. This part of the start-up expenses is known as working capital.

**Operational Costs**, as the name suggests, are for carrying out the day-to-day operations of the business or enterprise. These can be broadly categorized in to (i) Fixed Costs, and (ii) Variable Costs.

### Start-Up Costs

The costs of legally registering your business or purchasing a computer are examples of one-time business startup costs. Securing a separate business location might include one-time costs of rental deposits, building construction, interior and exterior building design, signage, feasibility report, office furniture and equipment, machinery installation and insurance deposits. Stocking inventory or manufacturing your products might require one-time startup costs in terms of raw material, packing material etc. All these expenses occur from the time you start the planning and preparation (i.e. many months before the actual operation beginning). If actual operation begins in Month 1, then all these start-up expenses will be clubbed together in “Month 0” for cash flow projections. If the period of “start-up” is long, then Month “0” would have to be split up and funds requirement appropriately reflected.

**TIP:** Quite often the terms “Start-up” and “one time” are used interchangeably. We prefer “start up” to “one time” as some of the items in the “start-up” phase may again be purchased in the near future – e.g. computer, furniture, machines etc. So the “one time” label creates some confusion.

### Fixed Costs

These are ongoing costs not affected by changing sales volume. Monthly utilities, rent and equipment leases can be considered fixed costs. Taxes, annual business registration fees and regular licensing costs can also be put in this category. Employee wages and salaries plus workers' compensation, insurance and any employee welfare expenses are fixed costs. Other examples are – advertising, office expenses, utilities, insurance premium and many more.

Fixed costs are not dependent upon the level of output (goods or services) in a business or sales; these expenses take place in a time frame or period of time irrespective of whether the sales increases or decreases and hence they are sometimes called “Period Costs”. They happen over a period of time, for

example annual, week or month. Salary could be called Period Cost, since it often occurs every month. It is important to remember that these costs are “fixed in nature” and not necessarily “fixed in amount”. For example, telephone bill may vary slightly month to month, depending on the usage. However, this variation is not linked to the sales volume directly. Rent is fixed per month, till it is revised by negotiation. Thus it may be different in different years, but not because of an increase or decrease in sales.

**Caution: Please don’t go into discussion on period costs with your students; but if a student has accounting background, and asks such a question, you can explain. Otherwise, keep it simple.**

#### **Variable Costs**

Variable costs are those which DO vary as a total cost to the organization when output (number of items of goods or services produced) varies. In fact a true variable cost will vary in exactly the same proportion as the output. In other words, as sales increase, variable costs increase. (The assumption is that the output will directly vary with sales.)

Examples of variable costs are raw material, packing material, transportation (in-bound and outward), sales commission, process waste, consumables, piece rate paid to the workers etc.

Some examples for certain industries follow.

An example of a variable cost for a bakery would be the cost of flour, sugar, baking powder etc.

In a service business, there are often fewer variable costs. Often the main variable cost in providing a service is the cost of wages for an employee working directly in providing the service. Other variable costs in a service business would be anything directly ‘used up’ during the provision of the service. For example, oil may be used with massage therapy, and there may be the cost of laundering one or two towels.

It should be possible to express variable costs per item of output or sales.

---

It is important to remember that Fixed Costs are “fixed in nature” and not necessarily “fixed in amount”.

### Important Note to Facilitators

For classifying a particular expense as either fixed or variable, it is important to know for which industry or type of business it is related to. For example, telephone bill is generally a fixed expense, except when it relates to a “Call Center”. The cost of paper in an office or shop would be fixed but in a printing business it would be a variable cost, like other raw materials.

You can use some more examples to drive home this point: fodder to the cows (variable, because more cows mean more milk), water in the office (fixed), stationery in a coaching class (variable – more students means more stationery), stationery in an office (fixed).

**Key point to remember is not to classify an expense in one or the other category, without knowing which business it refers to.**

### Why learn about different type of costs

Ask this question, and have a discussion on this topic. Eventually, the idea is to have them understand that when you are doing cash flow or financial planning for a business you want to start, once you know what costs occur when, you can plan your finance accordingly. For example ask them when they would need Start Up costs and how much of the other two costs they should plan for and when?

### Further Reading

- <http://www.ruralwomen.org.uk/pdfs/book4businessviability.pdf>
- <http://economics.about.com/cs/studentresources/a/costs.htm>

## 18. Unit of Sale, Unit Cost and Unit Price

Defining your Unit of Sale is central to understanding the economics of your business, your sales forecast and planning, developing your marketing strategy, and for management of your inventory.

*-Anonymous*

### Learning Objectives

- ✓ Understand the importance of Unit of Sale, Unit Cost and Unit Price in a business.
- ✓ Determine or calculate the Unit of Sale, Unit Cost and Unit Price for your Business Plan.

### Session Plan

Discussion.....: 7 minutes  
Activity..... 20 minutes  
Summing Up.....: 3 minutes

### Materials Needed

- OPTIONAL: You can take a few samples of items from Table 1 below just to make it a more demonstrative session.)

#### Important Note

Make sure that before this session is conducted, participants have been formed into teams and that each team has identified its business idea for the purpose of Biz Plan Competition. The learning in this session is mostly through working on part of the business plan that covers the unit of sale, the unit cost and the unit price).

**Unit of Sale:** Ask the participants what they understand by Unit of Sale.

You may or may not get a very correct response. It could be something like “measure of what we sell” or “items we sell”.

The best way to explain the concept is by giving examples of Unit of Sale. So, you may ask as to what are the units of sale in the following examples (refer to Table 1 below). (**Note:** The third column is for your use and not to be shown to the class.) Of course, first of all, you need to identify what is being sold and the common denominator in the sale. Think of Unit of Sale as the unit you would use to bill a customer. So how does a lawyer bill his client? Mostly by the number of hours he has worked for the client.

With these examples it would become clear that Unit of Sale for different products/services could be – weight, volume, length, area, number or time.

The next question for discussion is: “Why do we need to know or define the unit of sale?”

After different responses like – need to know how much we are selling, what is the common denominator for the cost, for comparison of price with competition etc., one can sum up the need for understanding unit of sale as: “To understand the economics of the business in an easy and standardized manner and for tracking the past with the future and to be able to take corrective action.”

**Table 1**

| Business              | Item being Sold/<br>Serviced | Unit                   |
|-----------------------|------------------------------|------------------------|
| Fruit Vendor          | Apple                        | Kg                     |
| Grocer                | Rice                         | Kg                     |
| Dairy                 | Milk                         | Liter                  |
| Grocer                | Oil                          | Liter                  |
| Garment Shop          | T Shirt                      | Piece or Number        |
| Textile Shop          | Fabric                       | Meter (of fixed width) |
| Real Estate Developer | Apartment                    | Square Feet (Area)     |
| Plumber               | Plumbing Service             | Time: Hour             |
| Lawyer                | Legal Advice                 | Time: Hour             |
| Consultant            | Special Advice               | Time: Hour             |
| Coaching Class        | Tuition                      | Time: Hour             |
| Baker                 | Cake                         | Kg                     |
| Baker                 | Puffs                        | Piece or Dozen         |

**Unit Cost:** Question to be asked now is: “What is Unit Cost?”

Response could vary from cost of production to total cost of a product or service.

Please explain that in this case we are referring to the “Variable Cost” of the product or service (as explained in the session on Types of Cost).

Take a simple example of a Tea Vendor and explain that the sum of costs (per cup) of milk, sugar, tea leaves as well as cooking fuel used and disposable cups makes up the Variable Cost or the Unit Cost. Do not forget to highlight the process waste aspect – e.g. 1 liter milk and 2 liters water may not give 30 cups of 100 ml, but less ,say 28 or so, due to evaporation, spillage etc.

In this example one cup (of 100 ml) is the unit of sale and the total of the variable costs (such as milk, sugar etc. above) is the Unit Cost.

Also highlight that in order to calculate per unit cost, one might have to calculate the cost of milk, sugar, tea leaves as well as cooking fuel used and disposable cups for say 100 cups and divide by the total quantity. (Sometimes you need to also add the labor of the person making the tea to the Unit Cost, but we want to keep our example simple.)

**Unit Price:** Ask the questions: “What is Price?” and “Who determines the price of a product/service?”

Quite often the answer might be “what we want to sell at” and “manufacturer determines the price”.

Steer them towards “Price is determined by the market place, which often means competition.” The competition is not based on just price but mainly on quality, customer service, convenience of location and time of delivery. Mention that there will be a separate session on factors affecting pricing, if not already done so.

Briefly mention that price expectation by the service provider or manufacturer takes all costs and expected profit into consideration. Do not forget to remind that ultimately it is the consumer (market place) that determines the price at which a transaction takes place.

Price is determined by the market place, which often means competition.

### **Activity**

- Ask each team to work on identifying the Unit of Sale for their business, compute Unit Cost (remind them about the tea vendor example, including process waste etc.) and fix Unit Price.
- Give about 15 minutes for this activity.
- Tabulate the results from each team in the following format on the writing surface, preferably through LCD projector using an Excel spreadsheet.

|                                      |  |  |  |  |
|--------------------------------------|--|--|--|--|
| Team Name                            |  |  |  |  |
| Business Idea                        |  |  |  |  |
| Unit of Sale                         |  |  |  |  |
| Unit Price                           |  |  |  |  |
| Unit Cost                            |  |  |  |  |
| Gross Profit / Unit<br>=(Price-Cost) |  |  |  |  |

**Gross Profit:** Gross profit, which is also called **gross margin**, represents the business’s profit from selling product or providing service before deducting fixed expenses such as salaries, rent, marketing costs and other fixed expenses. Gross profit equals net sales minus the cost of goods sold.

## Net Sales – Cost of Goods Sold = Gross Profit

It is calculated as sales revenue minus all costs directly related to those sales (variable cost) which include manufacturing expenses, raw materials, transportation of material, manufacturing labor, and other expenses directly related to marketing.

By doing this computation for a unit of sale, we arrive at Gross Profit (or Gross Margin). Gross Margin, when expressed as a percentage of selling price is referred to as Percentage Margin.

### Summing Up

- Use the tabulated information for general discussion of the three concepts and also to give some feedback to the teams – both from other teams and yourself.
- Remind the teams and participants that the numbers they have arrived at in the 15 minute exercise may not be final. It may still require fine tuning and they should do so during business plan preparation.

Gross profit equals net sales minus the cost of goods sold.

## **Optional Reading**

- [http://www.readyratios.com/reference/analysis/contribution\\_margin.html](http://www.readyratios.com/reference/analysis/contribution_margin.html)
- <http://www.investinganswers.com/financial-dictionary/financial-statement-analysis/gross-profit-2077>



## 19. Income Statement & Break Even Analysis

Do what you love, but be damned sure it's profitable.

–Steve Paulina

### Learning Objectives:

- ✓ Learn about profit in business.
- ✓ Learn how to calculate profit for a given period, say, a month.
- ✓ Understand the Break Even Concept and its importance in business.
- ✓ Learn how to calculate Break Even Point.

### Session Plan

Content in this session plan is to be covered over two sessions, preferably over two separate days. In the first session try and cover the basics of Income Statement and Break Even Analysis – using the examples given here. At the end of the first session, distribute the Savita Saree Shop Case study, together with blank forms for attempting the Income Statement & Cash Flow Projections for six months. In the second session (on the next day), take up the Income Statement for discussion (as detailed later). Cash Flow Projections are to be taken up in a subsequent session (separate session plan).

### Material Needed

- Note book
- Exercise Hand out
- Blank Cash Book form

### Activity

- Ask the participants what they understand by the word “profit”. Typically, you should get answers like

At a very basic level, Profit is the amount left after you have paid all the expenses for a period from the money you get from all the sales in the same period.

“money left over after meeting expenses”, “surplus generated by business”, “return to the owner” etc.

- These are generally correct and you can say so and move on to solving one or two of the examples listed here.

#### Instructions for the Facilitator

You may provide this definition either now or after the examples have been discussed:

*At a very basic level, Profit is the amount left after you have paid all the expenses for a period from the money you get from all the sales in the same period. Depending on the amount of profit, a portion of the profits is paid to the government as taxes. Any profit, after the tax is paid, goes to the business's owners, who may take it out and use for their personal use or put it back in the business.*

Thus, basically

$$\text{Profit} = \text{Total Revenue} - \text{Total Expenses}$$

#### Example 1

Suman has started selling bed sheets from her own house. In one month, she purchased 25 bed sheets from a wholesale dealer at Rs.100 per bed sheet and sold them at Rs.200 per bed sheet. She spent Rs.500 for advertisement. You have to calculate her income by preparing an income statement.

### Example 2

If Suman sells only 20 bed sheets out of the 25 bed sheets purchased, what will her income statement look like?

### Discussion on Examples 1 & 2

|                                    |              | Example 1 |      |       | Example 2 |      |       |
|------------------------------------|--------------|-----------|------|-------|-----------|------|-------|
|                                    |              | Qty       | Rate | Total | Qty       | Rate | Total |
| Sales                              | <b>A</b>     | 25        | 200  | 5,000 | 20        | 200  | 4,000 |
| Cost of Goods Sold (Variable Cost) | <b>B</b>     | 25        | 100  | 2,500 | 20        | 100  | 2,000 |
| Gross Profit                       | <b>C=A-B</b> |           | 100  | 2,500 |           | 100  | 2,000 |
| Operating Cost (Advertising)       | <b>D</b>     |           |      | 500   |           |      | 500   |
| Profit Before Tax                  | <b>E</b>     |           |      | 2,000 |           |      | 1,500 |
| Tax @ 15%                          | <b>F</b>     |           |      | 300   |           |      | 275   |
| Profit After Tax                   | <b>G=E-F</b> |           |      | 1,700 |           |      | 1,225 |

#### NOTE

Though at this level of sales and profits no tax may be payable, in order to draw attention to the concept of income tax and how to calculate profit after tax we have introduced a flat tax of 15% for illustrative purposes. This may be explained – if a question comes up as to when (after what level of profit) the income tax is payable.

### Example 3

Material for preparing 2 ½ kgs of sweets:

- 3 kgs of milk .....Rs.75
- 150 gms rice .....Rs.10
- 250 gms sugar .....Rs.6
- 100 gms dry fruits.....Rs.24

Calculate the total cost of sweets on the basis of the expenditure given above, and also find out the gross profit per kg, if the sweets are sold at Rs. 40 per half kg.

### Discussion on Example 3

- Total variable cost for 2.5 kg Sweets = (75+10+6+24) = Rs.115
- Unit of Sale = half kg (0.5 kg)

- Unit Cost = Rs.23/half kg
- Unit Price = Rs.40/half kg
- Gross Profit = Rs.17/half kg

### Gross Profit

The gross profit is the total revenue (money received by selling) subtracted by the cost of items or service sold, that is, the cost for producing those goods or services for generating that revenue or sale(not their fixed cost such as rent, wages etc.). In other words, gross profit is sales minus cost of goods sold. (So, for example, in Suman's business, Rs.100 per bed sheet is the cost of goods sold per unit.) It tells you how much money a business would have left to pay the fixed expenses such as salary, income taxes, office supplies, electricity, water, rent, etc. Therefore:

$$\text{Total Revenue} - \text{Cost of Goods Sold (COGS)} = \text{Gross Profit}$$

$$\text{Gross Profit per Unit} = \text{Sale Price per Unit} - \text{COGS per Unit.}$$

Cost of Goods Sold per Unit is the same as variable cost per Unit, which has been discussed in earlier sessions.

### Break Even

A business's break-even point is the amount or level of sales or revenues that it must generate in order for the gross profit to equal its fixed expenses for a specific period. In other words, it is the point at which the company neither makes a profit nor suffers a loss. Calculating the break-even point can provide a simple, yet powerful quantitative tool for entrepreneurs in setting targets for their businesses. In its simplest form, break-even analysis provides insight into whether or not the gross profit (revenue minus cost of goods sold) at a level of sales of a product or service has the ability to cover the related fixed costs. Entrepreneurs can use this information in making a wide range of business decisions, including setting prices, preparing competitive bids, and applying for loans. **It also helps in Profit Planning and Goal setting.**

At the Break Even Level,

$$\text{Total Revenue} = \text{Total Expenses (Both fixed and variable)}$$

Formula for calculating Break Even (BE) Level is:

$$\text{BE Volume or point (per Month)} = \frac{\text{Fixed Cost (per month)}}{\text{Gross Profit per Unit}}$$

### Target Determination

With the help of the break-even point one can determine the number of units to be sold to achieve the desired level of profit. This number can be set up as the target to be achieved.

$$\text{Number of units to be sold (Target)} = \frac{\text{Monthly fixed expenses + Desired profit}}{\text{Gross Profit per Unit}}$$

**Example:** Radha started a business of manufacturing garments for children. She has taken a room on rent for Rs.400 per month and hired a sewing machine for Rs.100 per month. The materials required to make one garment are: Cloth for Rs.40 and button, chain, etc. for Rs.10. If Radha sells one garment for Rs.75 what will be the break-even point of her business? In other words, what should be the minimum number of garments she has to sell per month? And, if Radha wants to earn a profit of Rs.1,000 per month from the very first month onwards, how many garments should be sold?

### Analysis

Selling price per unit =Rs.75

Variable cost per unit (40 + 10) = Rs.50

Gross profit per unit (75 –50) = Rs.25

Fixed monthly expenses (400 + 100) = Rs.500

$$\text{Break-even point} = \frac{\text{Fixed Monthly Expenses } 500}{\text{Gross profit per unit } 25} = 20 \text{ Units}$$

So, at least 20 garments are to be sold per month. And if Radha wants to earn a profit of Rs.1000 per month, then her monthly sales target will be:

$$\text{Target} = \frac{\text{Fixed expense + Desired profit}}{\text{Gross profit per unit}}$$

$$\begin{aligned} &= (500+1,000) / 25 \\ &= 1,500 / 25 \\ &= 60 \text{ Units} \end{aligned}$$

Radha's target will be to sell 60 garments per month to earn the desired profit. (For simplicity, in this example, we have not shown other fixed costs, such as wages for Radha herself, electricity charges etc.)

**You can now move on to 4th example and bring out some more points, including Break Even Analysis.** (Please explain to the students/trainees that we have intentionally chosen simple examples such as Radha's garment business and Ram's tea vending business and not more complex businesses, to be able to explain the financial concepts in simple terms. Once they have understood that they can apply those concepts to more complex businesses.)

#### **Example 4**

Ram, who was earlier working in a restaurant, has now decided to start a tea vending business. He was getting Rs.300 per day as his wages, while working in the restaurant.

Help Ram figure out what things he needs and how to know whether he is doing well or not.

Ram is thinking in terms of a mobile hand cart for his tea vending business, which he will take around to the various construction sites in the given locality and during day light only.

The first question to the participants is what all things he needs to buy and do before actually starting the tea vending activity.

Answers coming from the participants will include – vessels, cart, stove, milk, sugar, fuel, strainer, thermos flask, tea leaves, disposable paper cups (for 100 ml tea) etc.

Now, after some discussion and participant involvement, you may arrive at following figures:

- Vessels, cart, stove, strainer, thermos = Rs.12,000
- Buying initial supply of milk, sugar, cups, tea leaves = Rs.1,000

Ram had Rs.1,000 which he used for buying various consumable items. He borrowed Rs.12,000 from a friend and agreed to pay him Rs.4 per day as interest. (Approximately 12% per annum).

Next task is to find out the cost of producing tea.

You may start by suggesting the following:

One Liter Milk.....= Rs.30

Two Liters Water.....= Rs.2

Sugar (300 gms) .....= Rs.30

Tea leaves (100 gms).....= Rs.20

Fuel.....= Rs.2

**Total .....= Rs.84**

Next question to ask – how many cups of (100 ml qty – Unit of Sale) will Ram get out of this? Quite often the answer is 30 cups (3 liters of liquid/ 100 ml cup).

Remind the participants that there will be some evaporation while boiling water & milk, and there may be spillage etc. Agree on a number like 28 cups.

At this point reinforce that process waste, allowance for bad quality etc. has to be built into the calculation of Unit Cost.

So the Unit Cost is Rs.3 per Cup (= 84/28).

Ask if that is all, and someone will raise the issue of cost of cups. After some discussion agree on a cost of 50 paise per cup.

So the Unit Cost (variable cost) now moves up to Rs.3.50 per cup

Some discussion on pricing. Ram has surveyed the place and finds that all similar vendors are charging Rs.5 per cup. He also decides to sell his tea at Rs.5 per cup.

The Gross Profit or Margin per cup is Rs.1.50 (= 5.00- 3.50)

**Now about Fixed Costs:** Ram employs a helper on a daily wage of Rs.99. He pays no rent, but pays Rs.10 per day of protection money to be able to do business in that area. He pays interest of Rs.4 per day. Also his own wages of Rs.300 per day.

Ram knows that he needs to recover the initial investment of Rs.12,000 over a period of time. He decides to do this over 5 years or 60 months. This translates to approximately Rs.7 per day. (At this point, you may have a discussion on depreciation and why we need to use it in costing etc. See the note below on Depreciation).

Total fixed costs per day for Ram are: (300+99+10+4+7) = Rs.420

Question to be asked is: How many cups should Ram sell in a day, before he can make any profit?

Quite often you may get the answer 280 cups and also the explanation that it is 420 (fixed cost) divided by Rs.1.50 (Gross Profit per cup). In case the answer does not come, explain the concept of Break Even Analysis (from the note above)

You can now discuss what the Income Statement or Profit and Loss Statement will look like based on the quantity sold. Please see the following Table.

**Ram's Tea Vending Business  
Income Statement**

|                                                      |        | Day 1 | Day 2 | Day 3 | Day 4 |
|------------------------------------------------------|--------|-------|-------|-------|-------|
| Number of Cups Sold                                  |        | 200   | 280   | 500   | 1,000 |
| Sales Revenue @5Rs/cup                               | A      | 1,000 | 1,400 | 2,500 | 5,000 |
| Cost of Goods Sold<br>(Variable Cost)<br>@Rs.3.5/cup | B      | 700   | 980   | 1,750 | 3,500 |
| Gross Margin                                         | C=A-B  | 300   | 420   | 750   | 1,500 |
| Fixed Expenses                                       |        |       |       |       |       |
| Helper Wages                                         |        | 99    | 99    | 99    | 99    |
| Own Wages                                            |        | 300   | 300   | 300   | 300   |
| Interest                                             |        | 4     | 4     | 4     | 4     |
| Rent (Protection Money)                              |        | 10    | 10    | 10    | 10    |
| Depreciation                                         |        | 7     | 7     | 7     | 7     |
| Total Fixed Expenses                                 | D      | 420   | 420   | 420   | 420   |
| Profit/(Loss) before tax                             | E= C-D | (120) | 0     | 330   | 1,080 |
| Taxes @ 15 %                                         | F      | 0     | 0     | 49.5  | 162   |
| Profit After Tax                                     | G=F-E  | (120) | 0     | 280.5 | 918   |

**NOTE**

Though at this level of sales and profits no tax may be payable, in order to bring in the concept of income tax and how to calculate profit after tax, we have introduced a flat tax of 15% for illustrative purposes. This may be explained – if a question comes up as to when (after what level of profit) the income tax is payable.

**DEPRECIATION**

The following brief write up on Depreciation will help you in discussions of this concept. (This section should be omitted while discussing this lesson when training Level 1 participants.)

Depreciation is the term used to refer to the decreasing value of a capital item over time. A capital item is one that has a life of at least one year. Buildings, machinery, equipment, furniture, fixtures, computers, cars, and trucks are examples of capital items or capital assets that will last for more than one year. However they will not last forever and would need to be replaced at some time.

There are capital items that decrease in value as they get older because, though they can still be used, they become obsolete. Think of any computer from three years ago. While you can still use the computer, it will not give you the same ease and breadth of computation as a newer one.

The Tax department realizes that capital items must be replaced and businesses should set aside money each year so that they have money to buy the replacement when needed. They have created a chart giving the usable life of different capital items. Obviously, buildings have much longer life than, say, cars.

So, if the tax department has determined that a car needs to be replaced in three years, it will allow the company to “expense” or “depreciate” one third of the car costs each year.

For example, if a car is bought by a company (for company use) for Rs.6 Lakhs, and assuming the Tax Department table says that a car has a three year life, each year, you can depreciate the car by one third or Rs.2 lakhs per year. This “expense” or depreciation of Rs.2 lakhs can be shown as expense in your Income statement, even though you don’t actually pay anyone Rs.2 lakhs cash for the car each year. Since no cash goes out and you still show it as an expense in your income statement, it is called a “NON CASH EXPENSE”. Thus, depreciation is a non-cash expense.

The value of a capital asset is thus expensed (written off) over the useful life of the asset. Different items have different life: Building (20 years), Car (3 years), Land (not depreciated), Machinery (5 to 10 years) etc. **For the sake of simplicity, we recommend using 5 years or 60 months as the period to calculate the depreciation of capital assets in our discussions and sessions.**

**This ends Session 1 of Income Statement & Break Even Analysis.**

## **Homework for Participants**

The case study of Savita Saree Shop is included with this lesson. It can be used to reinforce. Types of Costs, Income Statement as well as Cash Flow Projections (next session).

Please hand over the case study paper as well as two blank forms – Income Statement and Cash Flow Projections. Ask the participants to attempt both and be ready for discussions the following day.

Next day, first review the Income Statement of Savita and clarify any doubts participants have. In a subsequent session, review the Cash Flow Projections (see next session plan).

At the end of each session, you may hand over the filled forms to the participants for their use and records.

### **Review and Discussion of Savita Income Statement**

This review and discussion session will be on the next day morning. Use this session to clarify many of the concepts already covered – Start Up Costs, Unit of Sale, Unit Cost and Unit Price etc.

First, ask how many have attempted the solution. Normally you get only a handful of people raising their hands.

Now, start going through the Savita case and identify the following – with the participation and involvement of the participants:

- Start Up Cost: Rs.90,000 spent on interiors and Rs.10,800 for purchases (10,800= 9,000 for sarees+900 for packing+900 for freight) before the shop opening.
- Source of Funds: Rs.20,000 own capital+Rs.100,000 loan
- Unit of Sale: One Saree
- Unit Cost: Saree Rs.125 + Packing Rs.12.5 + Freight Rs.12.5 +Commission Rs.25 (10% of Sale price)=Rs.175 per Saree
- Unit Price: Rs.250 per Saree
- Gross Profit:Rs.75 per Saree
- Fixed Cost per month : Rs.9,000 (Salary 3,000 +Rent 1,500 + Utilities 500 + interest 1,000 + Phone 500 + Office Expenses 1,000 + Depreciation 1,500)
- Go over the Depreciation portion again and explain how it is calculated (Rs.90,000 divided by 60 months).

With this basic information extracted from the case, now ask each team to work on a particular month's income statement.

Once all teams have completed their task, show the completed form on the screen and compare results from each team. Clarify any issues and rectify any mistakes made by the teams.

**Note**

It is important to emphasize that in computing profit, cost of all resources used must be included. In this case, rent for premises and owner's salary are good examples.

**Optional Reading**

- <http://www.investopedia.com/articles/04/022504.asp#axzz2630EeQdS>
- <http://www.accountingcoach.com/online-accounting-course/11Xpg01.html>
- <http://www.accountingcoach.com/online-accounting-course/01Xpg03.html>
- <http://www.enotes.com/break-even-point-reference/break-even-point>



IMAGE COURTESY OF STUART MILES / FREEDIGITALPHOTOS.NET



## 20. Savita Saree Shop

Savita conducted a survey in her neighborhood and was convinced that there was an opportunity to start a Saree Shop.

She plans to bring sarees from Surat and sell it to her clients.

She has decided on the types of sarees that could sell for Rs.250 per piece. She will be able to get these sarees at Rs.125 per piece. She wants to give nice packing for these sarees and it will cost her Rs.12.50 per saree for the packing material.

She wants to employ two sales girls (shop sale as well as door to door and office sale) at a salary of Rs.1,000 each per month. She will also be working in the business and take a salary of Rs.1,000 per month. The sales girls will earn commission @ 10% on sales. The freight for sarees from Surat works out to Rs.12.50 per saree.

The front portion of her house, which was rented at Rs.1,500 per month is now vacant. She will set this up with proper lighting, painting etc. She also wants to put proper seating, cupboards and showcases to exhibit her products.

The cost of all the furniture, painting, lighting etc. is Rs.90,000 (Quotations from vendors). She has a savings of Rs.20,000, which she will invest in this business. Besides, she has convinced her bankers about the profitability of the business and has been assured a loan of Rs.100,000 @ 12% interest per annum. For the first 12 months, only interest will be payable. Repayment of the principal amount will start thereafter.

The supplier from Surat sends the goods once a month. Savita has to forecast her sale for the following month and buy the goods by paying cash.

Savita knows very well that cash is the lifeblood of her business and hence plans to be very cautious about credit sales.

She estimates an average monthly utility bill of Rs.500, phone bill of Rs.500 and various other office expenses (including publicity) of around Rs.1,000 per month.

Cash is the lifeblood of a business and hence one should be very cautious about credit sales.

---

The Projected Sales for six months are as follows:

| Month                   | 1      | 2      | 3      | 4      | 5      | 6      | 7   |
|-------------------------|--------|--------|--------|--------|--------|--------|-----|
| Total Sarees sold (Qty) | 72     | 84     | 100    | 120    | 152    | 192    | 192 |
| Cash Sale Qty           | 60     | 68     | 80     | 100    | 128    | 160    | 160 |
| Credit Sale Qty         | 12     | 16     | 20     | 20     | 24     | 32     | 32  |
| Cash Sale Rupees        | 15,000 | 17,000 | 20,000 | 25,000 | 32,000 | 40,000 |     |
| Credit Sale Rupees      | 3,000  | 4,000  | 5,000  | 5,000  | 6,000  | 8,000  |     |

The money from Credit Sales comes in the following month.

| Savita Saree Shop                |              | Income Statement |         |         |         |         |         |       |
|----------------------------------|--------------|------------------|---------|---------|---------|---------|---------|-------|
| (All figures in Rupees)          |              | Month 1          | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Total |
| <b>Sales Revenue:</b>            |              |                  |         |         |         |         |         |       |
| Cash                             |              |                  |         |         |         |         |         |       |
| Credit                           |              |                  |         |         |         |         |         |       |
| <b>Total Sales Revenue</b>       | <b>A</b>     |                  |         |         |         |         |         |       |
| <b>Cost of Goods (COG):</b>      |              |                  |         |         |         |         |         |       |
| Raw Material                     |              |                  |         |         |         |         |         |       |
| Packing Material                 |              |                  |         |         |         |         |         |       |
| Sales Commission                 |              |                  |         |         |         |         |         |       |
| Freight                          |              |                  |         |         |         |         |         |       |
| <b>Total COG (Variable Cost)</b> | <b>B</b>     |                  |         |         |         |         |         |       |
| <b>Gross Profit</b>              | <b>C=A-B</b> |                  |         |         |         |         |         |       |
| <b>Fixed Expenses:</b>           |              |                  |         |         |         |         |         |       |
| Salary                           |              |                  |         |         |         |         |         |       |
| Rent                             |              |                  |         |         |         |         |         |       |
| Utilities                        |              |                  |         |         |         |         |         |       |
| Interest                         |              |                  |         |         |         |         |         |       |
| Phone                            |              |                  |         |         |         |         |         |       |
| Office Exp                       |              |                  |         |         |         |         |         |       |
| Depreciation                     |              |                  |         |         |         |         |         |       |
| <b>Total Fixed Expenses</b>      | <b>D</b>     |                  |         |         |         |         |         |       |
| <b>Profit/(Loss)</b>             | <b>E=C-D</b> |                  |         |         |         |         |         |       |
| <b>Cumulative Profit/(Loss)</b>  |              |                  |         |         |         |         |         |       |

| Savita Saree Shop                      |         | Projected Cash Flow |       |       |       |       |       |       |
|----------------------------------------|---------|---------------------|-------|-------|-------|-------|-------|-------|
| (All figures in Rs)                    |         | Mth 0               | Mth 1 | Mth 2 | Mth 3 | Mth 4 | Mth 5 | Mth 6 |
| <b>Opening Balance</b>                 | X       |                     |       |       |       |       |       |       |
| <b>CASH INFLOW</b>                     |         |                     |       |       |       |       |       |       |
| Owners Equity                          |         |                     |       |       |       |       |       |       |
| Loan from Friends                      |         |                     |       |       |       |       |       |       |
| Bank Loan                              |         |                     |       |       |       |       |       |       |
| <b>Cash Sale Receipt</b>               |         |                     |       |       |       |       |       |       |
| <b>Credit Sale Receipt</b>             |         |                     |       |       |       |       |       |       |
| <b>Total Inflow</b>                    | Y       |                     |       |       |       |       |       |       |
| <b>CASH OUTFLOW</b>                    |         |                     |       |       |       |       |       |       |
| Start Up Exp                           |         |                     |       |       |       |       |       |       |
| Assets (Tangible & Intangible)         |         |                     |       |       |       |       |       |       |
| <b>Working Capital</b>                 |         |                     |       |       |       |       |       |       |
| Raw Material                           |         |                     |       |       |       |       |       |       |
| Packing Material                       |         |                     |       |       |       |       |       |       |
| Sales Commission (Credit sales)        |         |                     |       |       |       |       |       |       |
| Sales Commission (Cash sales)          |         |                     |       |       |       |       |       |       |
| Freight                                |         |                     |       |       |       |       |       |       |
| <b>Salary:</b>                         |         |                     |       |       |       |       |       |       |
| Savita salary                          |         |                     |       |       |       |       |       |       |
| Cash Sales Girl Salary                 |         |                     |       |       |       |       |       |       |
| Credit sales Girl Salary               |         |                     |       |       |       |       |       |       |
| Rent                                   |         |                     |       |       |       |       |       |       |
| Utilities                              |         |                     |       |       |       |       |       |       |
| Interest                               |         |                     |       |       |       |       |       |       |
| Phone                                  |         |                     |       |       |       |       |       |       |
| Office Exp                             |         |                     |       |       |       |       |       |       |
| Loan Repayment                         |         |                     |       |       |       |       |       |       |
| <b>Total Outflow</b>                   | Z       |                     |       |       |       |       |       |       |
| <b>Surplus/(Deficit) for the month</b> | =Y-Z    |                     |       |       |       |       |       |       |
| <b>Closing Balance</b>                 | = X+Y-Z |                     |       |       |       |       |       |       |

| Savita Saree Shop                |              | Income Statement        |         |         |         |         |         |                |            |
|----------------------------------|--------------|-------------------------|---------|---------|---------|---------|---------|----------------|------------|
|                                  |              | (All figures in Rupees) |         |         |         |         |         |                |            |
|                                  |              | Month 1                 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | 6 Months Total | Percentage |
| <b>Sales Revenue</b>             |              |                         |         |         |         |         |         |                |            |
| Cash                             |              | 15,000                  | 17,000  | 20,000  | 25,000  | 32,000  | 40,000  | 149,000        |            |
| Credit                           |              | 3,000                   | 4,000   | 5,000   | 5,000   | 6,000   | 8,000   | 31,000         |            |
| <b>Total Sales</b>               | <b>A</b>     | 18,000                  | 21,000  | 25,000  | 30,000  | 38,000  | 48,000  | 180,000        | 100%       |
| <b>Cost of Goods Sold</b>        |              |                         |         |         |         |         |         |                |            |
| Raw Material                     |              | 9,000                   | 10,500  | 12,500  | 15,000  | 19,000  | 24,000  | 90,000         |            |
| Packing Material                 |              | 900                     | 1,050   | 1,250   | 1,500   | 1,900   | 2,400   | 9,000          |            |
| Sales Commission                 |              | 1,800                   | 2,100   | 2,500   | 3,000   | 3,800   | 4,800   | 18,000         |            |
| Freight                          |              | 900                     | 1,050   | 1,250   | 1,500   | 1,900   | 2,400   | 9,000          |            |
| <b>Total COG (Variable Cost)</b> | <b>B</b>     | 12,600                  | 14,700  | 17,500  | 21,000  | 26,600  | 33,600  | 126,000        | 70.00%     |
| <b>Gross Profit</b>              | <b>C=A-B</b> | 5,400                   | 6,300   | 7,500   | 9,000   | 11,400  | 14,400  | 54,000         | 30.00%     |
| <b>Fixed Expenses</b>            |              |                         |         |         |         |         |         |                |            |
| Salary                           |              | 3,000                   | 3,000   | 3,000   | 3,000   | 3,000   | 3,000   | 18,000         |            |
| Rent                             |              | 1,500                   | 1,500   | 1,500   | 1,500   | 1,500   | 1,500   | 9,000          |            |
| Utilities                        |              | 500                     | 500     | 500     | 500     | 500     | 500     | 3,000          |            |
| Interest                         |              | 1,000                   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 6,000          |            |
| Phone                            |              | 500                     | 500     | 500     | 500     | 500     | 500     | 3,000          |            |
| Office Exp                       |              | 1,000                   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 6,000          |            |
| Depreciation                     |              | 1,500                   | 1,500   | 1,500   | 1,500   | 1,500   | 1,500   | 9,000          |            |
| <b>Total Fixed Expenses</b>      | <b>D</b>     | 9,000                   | 9,000   | 9,000   | 9,000   | 9,000   | 9,000   | 54,000         | 30.00%     |
| <b>Profit/(Loss)</b>             | <b>E=C-D</b> | (3,600)                 | (2,700) | (1,500) | -       | 2,400   | 5,400   | -              | 0.00%      |
| <b>Cumulative Profit/(Loss)</b>  |              | (3,600)                 | (6,300) | (7,800) | (7,800) | (5,400) | -       | -              |            |

| Savita Saree Shop               |         | Projected Cash Flow |         |         |         |         |         |         |
|---------------------------------|---------|---------------------|---------|---------|---------|---------|---------|---------|
|                                 |         | Mth 0               | Mth 1   | Mth 2   | Mth 3   | Mth 4   | Mth 5   | Mth 6   |
| Opening Balance                 | X       | 0                   | 19,200  | 12,300  | 7,700   | 3,700   | 400     | (2,700) |
| <b>CASH INFLOW</b>              |         |                     |         |         |         |         |         |         |
| Owners Equity                   |         | 20,000              |         |         |         |         |         |         |
| Loan from Friends               |         |                     |         |         |         |         |         |         |
| Bank Loan                       |         | 100,000             |         |         |         |         |         |         |
| Cash Sale Receipt               |         |                     | 15,000  | 17,000  | 20,000  | 25,000  | 32,000  | 40,000  |
| Credit Sale Receipt             |         |                     |         | 3,000   | 4,000   | 5,000   | 5,000   | 6,000   |
| <b>Total Inflow</b>             | Y       | 120,000             | 15,000  | 20,000  | 24,000  | 30,000  | 37,000  | 46,000  |
| <b>CASH OUTFLOW</b>             |         |                     |         |         |         |         |         |         |
| Start Up Exp                    |         |                     |         |         |         |         |         |         |
| Assets (Tangible & Intangible)  |         | 90,000              |         |         |         |         |         |         |
| <b>Working Capital</b>          |         |                     |         |         |         |         |         |         |
| Raw Material                    |         | 9,000               | 10,500  | 12,500  | 15,000  | 15,000  | 24,000  | 24,000  |
| Packing Material                |         | 900                 | 1,050   | 1,250   | 1,500   | 1,900   | 2,400   | 2,400   |
| Sales Commission (Credit sales) |         |                     | 300     | 400     | 500     | 500     | 600     | 800     |
| Sales Commission (Cash sales)   |         |                     | 1,500   | 1,700   | 2,000   | 2,500   | 3,200   | 4,000   |
| Freight                         |         | 900                 | 1,050   | 1,250   | 1,500   | 1,900   | 2,400   | 2,400   |
| Salary                          |         |                     | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   |
| Savta salary                    |         |                     | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   |
| Cash Sales Grl Salary           |         |                     | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   |
| Credit sales Grl Salary         |         |                     | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   |
| Rent                            |         |                     | 1,500   | 1,500   | 1,500   | 1,500   | 1,500   | 1,500   |
| Utilities                       |         |                     | 500     | 500     | 500     | 500     | 500     | 500     |
| Interest                        |         |                     | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   |
| Phone                           |         |                     | 500     | 500     | 500     | 500     | 500     | 500     |
| Office Exp                      |         |                     | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   |
| Loan Repayment                  |         |                     |         |         |         |         |         |         |
| <b>Total Outflow</b>            | Z       | 100,800             | 21,500  | 24,500  | 26,000  | 33,300  | 40,100  | 41,100  |
| Surplus(Deficit)                | =Y-Z    | 19,200              | (6,500) | (4,500) | (4,000) | (3,300) | (3,100) | 4,900   |
| Closing Balance                 | = X+Y-Z | 19,200              | 12,300  | 7,700   | 3,700   | 400     | (2,700) | 2,200   |

|               |       |
|---------------|-------|
| Sale Price    | 250   |
| Variable Cost |       |
| Saree         | 125.8 |
| packing       | 12.3  |
| Commission    | 35.8  |
| Freight       | 12.3  |
| Total Var     | 175   |
| Gross Profit  | 75    |

| Month                   | 1      | 2      | 3      | 4      | 5      | 6      | 7   |
|-------------------------|--------|--------|--------|--------|--------|--------|-----|
| Total Sarees sold (Qty) | 72     | 84     | 100    | 120    | 152    | 192    | 192 |
| Cash Sale Qty           | 60     | 68     | 80     | 100    | 128    | 160    | 160 |
| Credit Sale Qty         | 12     | 16     | 20     | 20     | 24     | 32     | 32  |
| Cash Sale Rupees        | 15,000 | 17,000 | 20,000 | 25,000 | 32,000 | 40,000 |     |
| Credit Sale Rupees      | 3,000  | 4,000  | 5,000  | 5,000  | 6,000  | 8,000  |     |

## 21. Cash Flow Projections

[ In God we trust; all others pay cash.  
–Sign board at a shop ]

### Learning Objectives

- ✓ Understand What Cash Flow Projection is.
- ✓ Learn how to prepare Cash Flow Projection.
- ✓ Understand the importance of Cash Flow Projections in running a business, successfully.



IMAGE COURTESY OF DIGITALART / FREE DIGITAL PHOTOS.NET

### Session Plan

Activity..... 20 minutes  
Discussion.....: 7 minutes  
Conclusion.....: 3 minutes

### Materials Needed

- Savita Saree Shop case study

### Activity

#### Note to Facilitator

The Savita Saree Shop case study has two sections – Income Statement and Cash Flow Projections.

This lesson assumes you have already given the case study to the participants and have discussed the Income Statement in a previous session. Now it is time to discuss the Cash Flow Projections.

- Verify how many participants have completed the Cash Flow Projections. Usually, only a handful of participants will have done so.
- You can now lead the class in calculating the inflows and outflows, a month at a time.

- In fact, making each team work on a month (six teams and six months), after you have gone through and explained month zero works very well.
- Once the teams have completed the task in class, you can make each team provide the input and you can write it on the board or put it in the spreadsheet to display on the screen.
- Some of the issues to be emphasized are:
  - Money from Credit Sale comes later (in this case, the following month)
  - Variable Costs (Saree Packing Material and Freight) are spent in the month previous to the sales.
  - Sales commission is paid in the month of the sale. Also highlight that commission is paid on both cash and credit sales (as the decision to give credit is that of Savita and not the sales girls).
  - Depreciation is not a cash outflow. We do not pay this amount to anyone. In fact, it can be explained as “all the money for start-up has been already paid in month zero”.
- After the completion of the activity, distribute the filled in Cash Flow Projections to the participants. (You would have already distributed the filled form for Income Statement at the end of an earlier session)

## Discussion

Using the filled Income Statement and Cash Flow Projections, bring up the following points for discussion:

- Why is there a shortage of cash when the business is making profits (month 5)? (Reasons – buying in advance and building inventory and sale on credit )
- What actions can Savita take to handle the projected cash deficit (negative cash) in the 5th month? (Possible actions – faster collection, requesting credit from saree supplier, postponing her own salary and/or rent, requesting short term loans from friends etc.).
- Break Even level of sales is reached in the 4th month (120 sarees per month). The business breaks even in 6 months

Depreciation is not a cash outflow. We do not pay this amount to anyone.

(total sale in 6 months is 720 sarees, i.e., an average of 120 sarees per month). Thus the **Break Even Level is reached in the 4th month; but the business breaks even in 6 months.** Let us discuss why:

- Break Even (BE) is denoted in terms of level of sales. In this particular example, it is 120 sarees per month. So in the 4th month, the level of sales reaches 120 sarees per month.
- However, prior to this month, the sales has been less than the BE level and hence Savita has been making losses. For her to make no-loss no-profit in the business, she should aggregate sales that give an average of 120 per month. In this case, she reaches a sales volume of 720 sarees in six months, giving an average of 120 per month.
- Thus, the BE level is reached in the 4th month but business reaches a no-profit no-loss situation (cumulative) in six months.

Break-even is denoted in terms of level of sales.

## Conclusion

- ✓ Cash is the lifeblood of every business. It is the most important asset for the operations of a business. **Cash flow refers to the movement of money in and out of a business during a specific period of time.** It is a record of a company's inflows and outflows. Cash inflow is defined as the movement of money into a business and cash outflow is defined as the movement of money out of a business (remember the exercise where you identified various ways in which money comes into and goes out of a business).
- ✓ The **Cash Flow Projection** shows how cash is expected to flow in and out of your business. For you, it's an important tool for cash flow management, letting you know when your expenditures are too high or when you might want to arrange short term investments to deal with a cash flow surplus. As part of your business plan, a Cash Flow Projection will give you a much better idea of how much capital investment your business idea needs.
- ✓ Do not confuse a **Cash Flow Projection** with a **Cash Flow Statement**. The Cash Flow Statement shows how cash has flowed in and out of your business. In other words, it describes the actual cash flow that has occurred in the past. The Cash Flow Projection shows the estimates or the cash that is anticipated to be generated or expended over a chosen period of time in the future.
- ✓ It would be a good idea to encourage participants/entrepreneurs to develop the habit of doing weekly cash flow projections for their business.

- ✓ A healthy cash flow management is indispensable for a successful business.

## Alternate Activity

- An interactive role play/game has been designed to make participants understand the method of cash flow projections and its importance.
- Use this where appropriate.
- Instructions on how to play the game are as follows:

.....

### Cash Flow through Role Play Using the Savita Saree Case Study

#### Instructions:

1. For this role play, we need the following eleven characters:
  - a) Bank Manager
  - b) Savita
  - c) Contractor
  - d) Sales Girl (Cash Sales)
  - e) Sales Girl (Credit Sales)
  - f) Saree Supplier
  - g) Packing Material Supplier
  - h) Truck Owner
  - i) Person for collecting utilities, interest, phone and office expenses.  
(Bill Collector)
  - j) Credit Customer
  - k) Cash Customer

**Tip:** You can prepare paper headbands for each role for easy identification.

2. All participants have the Savita Saree story. Each should read and understand it. The people playing the roles are to be given the “script” and **make believe** currency as indicated below.
3. We need currency – Plastic tokens (with denominations written), or printed make believe currency (laminated for re use).
4. Total requirement Rs.292, 000/- made up of: 17 x Rs.10,000, 100 x Rs.1,000, 30 x Rs.500, 48 x Rs.100/- and 44 x Rs.50 (distributed as follows):

| Denomination | Qty        | Bank Manager | Savita      | Cash Customer | Credit Customer | TOTAL        |
|--------------|------------|--------------|-------------|---------------|-----------------|--------------|
| Rs.10,000/-  | 17         | 10           | 1           | 6             |                 |              |
| Rs.1,000/-   | 100        |              | 7           | 70            | 23              |              |
| Rs.500/-     | 30         |              | 5           | 25            |                 |              |
| Rs. 100/-    | 48         |              | 3           | 45            |                 |              |
| Rs.50/-      | 44         |              | 4           | 40            |                 |              |
|              | <b>239</b> | <b>100 K</b> | <b>20 K</b> | <b>149 K</b>  | <b>23 K</b>     | <b>292 K</b> |

K = thousand

Ensure that all participants (including those playing the roles) have the blank Cash Flow Projections sheets. They should make the entries after each scene in the role play and do a tally at the end of each month.

Have a “Business Cash Box” and “Personal Cash Box” for Savita. Also you may have *make believe* bags and cartons etc.

### Month 0

#### Scene 1: Savita monologue

Now, before I go to the bank manager, let me put my savings into my business. (She then takes the Rs.20,000/- from her Personal Cash Box and puts it in the “Business Cash Box”.)

#### Scene 2: Savita at the Bank

Savita ..... : Good morning, Sir. How are you doing?

Bank Manager : Good morning, Savitaji. I am doing fine, thank you. I am glad you came. I have good news for you. Your loan has been approved. Please sign these papers.

Savita ..... : Thank you. Let me sign them.

Bank Manager : Here is your Rs.100,000. Your loan repayment will begin from the next year. This year, you will pay interest @ only 12% per annum which will amount to Rs.1,000 per month.

Savita ..... : Sure, Sir. Thank you. Bye.

Bank Manager : Bye!

(Savita counts the money and puts the money in the “Business Cash Box”.)

#### Scene 3: Savita meeting the Contractor

Contractor..... : Good morning Savitaji. I have renovated your room as agreed. You can have a look.

Savita ..... : Ok. That’s nice. I believe we agreed on a price of Rs.90,000. Here is the money. (She pays Rs.90,000 out of her Business Cash Box.)

Contractor..... : Thank you, Savitaji.

**Scene 4: Saree Supplier and Savita**

Saree Supplier : Good afternoon, Savitaji!  
 Savita ..... : Good afternoon to you too.  
 Saree Supplier : As ordered by you, I have brought 72 sarees and the invoice value is Rs.9,000. Here is my invoice.  
 Savita ..... : Thank you. Here is the money.  
*(Hands over Rs.9,000 from the Business Cash Box.)*  
 Saree Supplier : Thank you!

**Scene 5: Truck Owner and Savita**

Truck Owner... : I have delivered the 72 sarees at your shop and the freight bill as agreed is Rs.900.  
 Savita ..... : Ok. Here is Rs.900.  
*(Takes out Rs.900 from the Business Cash Box and hands it over.)*  
 Truck Owner... : Thank you, Savitaji.

**Scene 6: Savita and Packing Material Supplier (PM Supplier)**

PM Supplier.... : Good morning, Savitaji. I have delivered your packing material for 72 sarees. My invoice is for Rs.900.  
 Savita ..... : Good morning and thank you. Here is your money.  
*(She hands out Rs.900 from the Business Cash Box.)*

**Scene 7: Savita monologue**

Savita ..... : Let me see what my cash position is for the next month.  
*(After tallying and checking the cash box, she declares that she has Rs.19,200 for the start of next month.)*

**Note to Facilitator**

Before proceeding further make sure that all participants have got this figure in their sheets and if someone has missed it, cross-check and clarify. Please keep a note of the number of people who got it right. (This number is to be tracked at the end of each month).

**Month 1****Scene 1: Cash Customer buying sarees from Sales Girl (Cash Sales)**

Sales Girl ..... : A very good morning to you, Ma'am!  
 Cash Customer: Good morning! I want to buy 60 sarees. How much will this cost?  
 Sales Girl ..... : Well, the cost for 60 sarees will be Rs.15,000.  
 Cash Customer: Ok, I will buy them. Here is the amount.  
*(Sales Girl puts the Rs.15,000 in to a box named "Business Cash Box".)*

**Scene 2: Credit Customer buying from Sales Girl (Credit Sales)**

Credit Customer. : Good afternoon!

Sales Girl ..... : Good afternoon, Ma'am!

Credit Customer. : As discussed before, I will buy sarees but on credit. As of now, I want to purchase 12 sarees and pay for it next month. How much will it cost for 12 sarees?

Sales Girl ..... : Absolutely, not an issue. You are our valued old customer. It will cost Rs 3,000/. So the amount you will have to pay next month is Rs 3,000/.  
(Hands over the sarees.)

Credit Customer. : Sure. Thank you!  
(Walks away with the sarees.)

**Facilitator:** "We have brought in credit sales to show you how to show it on your cash flow statement. However, in real business, we discourage credit sales."

**Scene 3: Saree supplier meets Savita**

Savita ..... : Good morning!

Saree Supplier : A very good morning! As ordered by you, I have brought 84 sarees and the invoice value is Rs.10,500.

Savita ..... : Thank you. Here is the money.  
(Hands over Rs.10,500 from the Business Cash Box.)

Saree Supplier : Thank you!

**Scene 4: Savita & Packing Material Supplier (PM Supplier)**

Savita ..... : Good evening!

PM Supplier ... : Good evening, Savitaji! I have delivered your packing material for 84 sarees. My invoice is for Rs.1,050.

Savita ..... : Here is your money.  
(She hands out Rs.1,050 from the Business Cash Box.)

**Scene 5: Savita and Sales Girl (Cash Sales)**

Sales Girl ..... : Good morning Ma'am!

Savita ..... : Good morning to you too! So how many sarees did you sell to the cash customer?

Sales Girl ..... : This month I have sold 60 sarees on cash basis.

Savita ..... : So you earn a commission of Rs.1,500 @ Rs.25 per saree. Here is your salary of Rs.1,000 and your commission of Rs.1,500.  
(She hands out Rs.2,500 from the Business Cash Box.)

**Scene 6: Savita and Sales Girl (Credit Sales)**

Sales Girl ..... : Good morning, Ma'am!

Savita ..... : Good morning to you too! So how many sarees did you sell on credit?

Sales Girl ..... : I have sold 12 sarees on credit.

Savita ..... : So you earn a commission of Rs.300. Here is your salary of Rs.1,000 and your commission of Rs.300.  
(She hands out Rs.1,300 from the Business Cash Box.)



We should now “re-wind” the tape and get back to the position all were at the end of month four. (The people who received the money during the fifth month should return the same.)

Allow about 5 minutes for the class to think as Savita the entrepreneur and to look at possible ways to handle month 5 onwards. They could come up with ideas.

Better still, take the attendees who have NOT role played, and divide them into two groups using the traditional 1- 2 method. One group would be playing the role of Savita and the other as the Mentors. Any “Savita” can raise his/her hand and come up with an idea and any mentor can raise his/her hand to give the Mentor’s response—which could be positive or not. But, especially if the Mentor doesn’t agree, he or she should say why and suggest an alternative, if possible.



### **Optional Reading**

- [http://business.gov.in/manage\\_business/cash\\_flows.php](http://business.gov.in/manage_business/cash_flows.php)
- [http://sbinfoCanada.about.com/cs/businessplans/a/bizplanfinanc\\_3.htm](http://sbinfoCanada.about.com/cs/businessplans/a/bizplanfinanc_3.htm)
- <http://www.score.org/resources/12-month-cash-flow-projection>
- <http://www.tgci.com/magazine/How%20to%20Make%20Cash%20Flow%20Projections.pdf>
- <http://www.enotes.com/cash-flow-analysis-statement-reference/cash-flow-analysis-statement>



## 22. Business Plan: Why & How

If you know not, where to go, no road will take you there.

–Anonymous

### Learning Objective

- ✓ Understand the need for a Business Plan.
- ✓ Learn about the components of a good Business Plan.
- ✓ Learn how to prepare a good Business Plan.

### Session Plan

This session is applicable to all four levels of AEW and CMS. Recommended time allocation is as follows:

Discussion..... 25 minutes  
Conclusion.....: 5 minutes

### Materials Needed

- Two-page format handout of the Business Plan.



IMAGE COURTESY OF BPLANET / FREEDIGITALPHOTOS.NET

### **Instructions to the Facilitator**

As you know, one of the unique features of our training methodology is making the participants prepare a business plan. This is where all they have learned comes together like a jigsaw puzzle. It is where all the knowledge gained during the sessions gets applied in a practical way.

Business plan preparation is a group activity. This is where the group is able to learn from each other and fill in each other's deficiencies.

Prior to this session, please make sure that all the participants are divided into teams of 4 to 6 participants each.

In the team formation, the objective is to try and form teams that are of similar 'overall' capability levels. Please make sure to keep the following in mind:

- Know the participants: Depending on the homogeneity or heterogeneity of the participants, list them with names, their villages, organization, institution, technical skill group etc. and their individual 'overall' level of competence.
- If necessary or possible, consider grouping people according to their technical skills and interests. This will enable them to select projects of common interests.
- If language is a barrier for one or more participants, try and group them in teams where they can communicate better.
- If the participants include several with a background in Commerce or Finance, Marketing, Creative Arts, etc. try to spread them equally across all teams.
- Emphasize that this is going to be a team effort. No one is superior or inferior. Points will be added when at the presentation, we are able to see that it was a team effort.
- Do not give any indication that a particular participant will be 'the leader' of a team. The leader, if any, should emerge through group processes.

## **Discussion**

Start the discussion by posing the following questions:

- What is a business plan?
- What is planning?

Generally, you get answers that are fairly descriptive:

- Plan – blueprint, action, schedule etc.

- Planning – Analyzing, synthesizing, preparing the plan etc.

You can now sum up and state that:

A **Plan** is a blueprint for goal achievement that details the necessary resources required, schedules to be achieved, tasks to be completed, and other actions. A Plan is a document.

**Planning** means determining the organization's goals and defining the means for achieving them. Planning allows entrepreneurs the opportunity to adjust to the environment instead of merely reacting to it. Planning increases the possibility of survival in business by actively anticipating and managing the risks that may occur in the future. In other words, it is a process of analyzing various aspects of the business to determine a particular course of action and how it is to be achieved.

In short, planning is preparing for tomorrow, today; and a plan is the document that codifies the final course of action.

Unfortunately, many people think of business plans only for starting a new business or applying for business loans. But they are also vital for running a business, whether or not the business needs new loans or new investments.

Businesses need plans to optimize growth and development according to priorities.

Planning is preparing for tomorrow, today; and a plan is the document that codifies the final course of action.

There are several textbook examples of business plans which are really not needed for micro businesses that our target participants are likely to start.

While the format of a business plan (or project report, as it is called at places) may be more elaborate for a bank loan, the essentials are not much different from the simple two-page

plan out line below.

#### Two-Page Business Plan Format

Here is a simplified 2-page format. Please make copies of the two pages and make sure that each participant gets a copy of the same, not just one copy per group.

Go over each item to explain what is required under each item of the two pages and relate it to the topics covered in the class, and encourage the participants to start working on sections of the plan.

**Note:** *In the workshops, each team will be presenting the team Business Plan. However, for the CMS program leading to competition, the presentation of the Business Plan is by an individual.*

## **Business Plan Competition**

- On the final day of the workshop, a Biz Plan competition will be held. There will be external judges to evaluate four major criteria: Presentation, Implement ability, Financial Calculations and Marketing Plan – with equal weightage for each.
- The teams are to be instructed on the following:
  - All teams have to present their Business Plan in the Biz Plan Competition.
  - Each team gets only 10 minutes for the presentation.
  - Based on the aptitude of the members, they can make presentation using either PPT, Charts, in the form of skits or street plays etc. Total time is only 10 minutes.
  - Emphasize that all the participants must participate in the preparation and presentation of the plan.
  - Emphasize the importance of keeping the presentation to 10 minutes per group. Ask them to rehearse so that they keep within the time given.
  - Tell the participants that during the competition, the time keeper will give a cue at the end of seven minutes (by holding up a placard with “3” written on it—meaning three minutes left).

## **Business Plan Evaluation**

It is important to brief the panel of judges on our expectations at the Biz Plan Evaluation.

- A standardized format of evaluation/grading has been developed, with evaluation criteria listed and weightage indicated(attached).
- Make notes about the presentation so that you are able to go back and ask questions during the Q&A sessions.
- It is very crucial to assess whether the participants have understood the various concepts very clearly.
- While commenting, please mention the good points (or what you liked) first. Then go on to highlighting the areas where improvements could have been made. Remember, many of the participants may be making a presentation in front of an audience

for the first time in their lives and need encouragement and support so they build confidence and not get discouraged on their maiden attempt.

- Only the judges are permitted to ask questions, no one else. Please advise the judges not to belabor a point too much.
- Keep the Q&A session to about five minutes per presentation.

## Conclusion

### What is most important in a plan?

- It can be the strangest or the most commonplace idea, ultimately what counts is how convincing the plan is in terms of its viability.
- Implementation details are what make things happen. Your brilliant strategies and beautifully formatted planning documents are just theory unless you assign responsibilities, with dates and budgets, follow up with those responsible, and track results. Business plans are really about getting results and improving your company.

## For Further Reading

### Web Links

- Business Plan: [http://inventors.about.com/od/businessplans/a/business\\_plan.htm](http://inventors.about.com/od/businessplans/a/business_plan.htm)
- What Makes a Good Plan: <http://articles.bplans.com/writing-a-business-plan/what-makes-a-good-plan/37>
- Ten Things Every Good Business Plan Must Have: [http://www.forbes.com/2007/05/09/palo-alto-software-ent-manage-cx\\_mc\\_0509businessplan.html](http://www.forbes.com/2007/05/09/palo-alto-software-ent-manage-cx_mc_0509businessplan.html)





## Aspiring Entrepreneurs Workshop (AEW)

### OUTLINE FOR THE TEN MINUTE BUSINESS PLAN PRESENTATION & BASIC BUSINESS PLAN

Name of the Team: \_\_\_\_\_

Name of Team Members: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

### GUIDELINES FOR ITEMS TO BE COVERED IN THE BUSINESS PLAN

*(You may adjust the spacing for your answers.)*

- 1) Your business idea: (Describe the Main Product or Service)
- 2) Name of your business, its logo and tagline.
- 3) Are there similar products or services in the market?
- 4) What is your competitive advantage & your USP (Unique Selling Proposition)?
- 5) Your Marketing Plan:
  - a) How did you conduct your market research? (Talk about your competitor, demand for your product/service—is it there or do you think you can create it? Your customer profile, demographics, purchasing power etc.)
  - b) Who are your target customers and how will you reach them?
  - c) Your advertising and promotion ideas.
  - d) Packaging (if applicable).
  - e) Distribution (How do you intend reaching your customers?)
  - f) What does quality mean for your product or service?
- 6) What are the likely risk factors in your business and how do you plan to mitigate them?

- 7) What are your Unit of Sale and the Cost of a Unit of your product or service? Show the computation or explain the logic.
- 8) What is your selling price and your reason for it?
- 9) Give details of your startup costs.
- 10) How would you meet your startup costs? (Be realistic.)
- 11) Show your projected Cash Flow for the first 12 months from the start of business. Include the cash flow prior to the start of the business and state your assumptions. Use **Format A** (attached)
- 12) Let's say it is now a year since you started your business. Give us one month's Profit and Loss statement for **the first month of the second year**. You might have to do a 12-month projection in **Format B** (attached). In the PPT, you may show only the 13<sup>th</sup> month.
- 13) What is the break-even point of your business? Show the computation.

**Note to the Facilitator**

For AEW Levels 1 to 3, you may do away with Format A and they need not prepare the initial 12 months of Format B. Do only the 13<sup>th</sup> month.



## Change the Mind Set (CMS) Program

### OUTLINE FOR THE TEN MINUTE BUSINESS PLAN PRESENTATION & BASIC BUSINESS PLAN

Name of the Student: \_\_\_\_\_

Date of Birth: (DD/MM/YYYY): \_\_\_\_\_

Name and address of the institution: \_\_\_\_\_

\_\_\_\_\_

### GUIDELINES FOR ITEMS TO BE COVERED IN THE BUSINESS PLAN

*(You may adjust the spacing for your answers.)*

- 1) Your business idea: (Describe the Main Product or Service )
- 2) Name of your business, its logo and tagline.
- 3) Are there similar products or services in the market?
- 4) What is your competitive advantage & your USP (Unique Selling Proposition)?
- 5) Your Marketing Plan:
  - a) How did you conduct your market research? (Talk about your competitor, demand for your product/service—is it there or do you think you can create it? Your customer profile, demographics, purchasing power etc.)
  - b) Who are your target customers and how will you reach them?
  - c) Your advertising and promotion ideas.
  - d) Packaging (if applicable).
  - e) Distribution (How do you intend reaching your customers?)
  - f) What does quality mean for your product or service?
- 6) What are the likely risk factors in your business and how do you plan to mitigate them?

- 7) What are your Unit of Sale and the Cost of a Unit of your product or service? Show the computation or explain the logic.
- 8) What is your selling price and your reason for it?
- 9) Give details of your startup costs here.
- 10) How would you meet your startup costs? (Be realistic.)
- 11) Show your projected Cash Flow for the first 12 months from the start of business. Include the flow prior to the business startup and state your assumptions. Use **Format A** (attached)
- 12) Let's say it is now a year since you started your business. Give us one month's Profit and Loss statement for **the first month of the second year**. You might have to do a 12-month projection in **Format B** (attached). In the PPT, you may show only the 13<sup>th</sup> month.
- 13) What is the break-even point of your business? Show the computation.

**Important Notes about the Plan & PPT:**

- a) Your Plan document should not exceed two pages, excluding Cash Flow and P&L.
- b) Your Plan may contain a third page (cover) with name, institution name, date of birth (certified by the administration) etc.
- c) For participation in NBPC, the plan and PPT must be submitted by the stipulated date.
- d) Time for presentation is only 10 minutes.

| Name:         |                                  | Cash Flow Projections |         |         |         |         |         |         |         |         |         |          |          |          |
|---------------|----------------------------------|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|
| Business Idea |                                  | Format A              |         |         |         |         |         |         |         |         |         |          |          |          |
|               |                                  | Prior to Month 1      | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
| <b>A</b>      | <b>Opening Balance</b>           |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | <b>Inflows</b>                   |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Own Capital                      |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Loan from Bank                   |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Loan from others                 |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | From Cash Sales                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | From Credit Sales                |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
| <b>B</b>      | <b>Total Inflow</b>              |                       |         |         |         |         |         |         |         |         |         |          |          |          |
| <b>C=A+B</b>  | <b>Total Opening Bal.+Inflow</b> |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | <b>Outflows</b>                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | <b>Asset Purchase</b>            |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Machinery                        |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Furniture & Fixtures             |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | <b>Pre-Operative Exp</b>         |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Deposit if any                   |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | <b>Working Capital</b>           |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Raw Material                     |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Packing Material                 |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | <b>Fixed Expenses</b>            |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Salary                           |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Rent                             |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Insurance                        |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Office Expenses                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
|               | Other (Specify)                  |                       |         |         |         |         |         |         |         |         |         |          |          |          |
| <b>D</b>      | <b>Total Outflow</b>             |                       |         |         |         |         |         |         |         |         |         |          |          |          |
| <b>E</b>      | <b>Closing Balance =(C-D)</b>    |                       |         |         |         |         |         |         |         |         |         |          |          |          |

| Name:                                 |                             | Profit & Loss Statement           |         |         |         |         |         |         |         |         |         |          |          | Forecast II |         |
|---------------------------------------|-----------------------------|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|-------------|---------|
| Business Idea                         |                             | Year 1                            |         |         |         |         |         |         |         |         |         |          |          | Year 2      |         |
|                                       |                             | Rate /Unit<br>where<br>applicable | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12    | Month 1 |
| A                                     | Sales Quantity (Each Month) |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| B                                     | Unit Price                  |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| C                                     | Unit Cost (Variable Cost)   |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| D=A x B Sales Revenue( = Qty x Price) |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Less Variable Cost                    |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| E=A x C (=Qty x Variable Cost)        |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| D - E Gross Profit (Gross Margin)     |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Fixed Expenses                        |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Salary                                |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Rent                                  |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Insurance                             |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Others (Specify)                      |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Others (Specify)                      |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Others (Specify)                      |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Others (Specify)                      |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Others (Specify)                      |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| Depreciation                          |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| F                                     | Total Fixed Expenses        |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| D-E-F Profit Before Taxes             |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| T                                     | Tax @ 15%                   |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |
| D-E-F-T Net Profit after Tax          |                             |                                   |         |         |         |         |         |         |         |         |         |          |          |             |         |

**I Create India: Business Plan Evaluation Sheet**

Note to the Judges: Please give one score for each of the four categories. The subcategories are just for your guidance.

| <b>Team No:</b>                |            | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>6</b> | <b>7</b> |
|--------------------------------|------------|----------|----------|----------|----------|----------|----------|----------|
| <b>Team Name</b>               |            |          |          |          |          |          |          |          |
| <b>Business Idea</b>           |            |          |          |          |          |          |          |          |
| <b>Evaluation Criteria</b>     | <b>Max</b> |          |          |          |          |          |          |          |
| <b>Presentation:</b>           | <b>25</b>  |          |          |          |          |          |          |          |
| Oral Presentation              |            |          |          |          |          |          |          |          |
| PowerPoint                     |            |          |          |          |          |          |          |          |
| Props                          |            |          |          |          |          |          |          |          |
| Time Management                |            |          |          |          |          |          |          |          |
| <b>Implementability:</b>       | <b>25</b>  |          |          |          |          |          |          |          |
| Creative/innovative or me too? |            |          |          |          |          |          |          |          |
| Resources available?           |            |          |          |          |          |          |          |          |
| Crucial Factors identified     |            |          |          |          |          |          |          |          |
| Market Research                |            |          |          |          |          |          |          |          |
| Risk Factors & Competition     |            |          |          |          |          |          |          |          |
| <b>Financial Calculations:</b> | <b>25</b>  |          |          |          |          |          |          |          |
| Start-up Costs & Sources       |            |          |          |          |          |          |          |          |
| Unit of Sale & Unit Cost       |            |          |          |          |          |          |          |          |
| Pricing                        |            |          |          |          |          |          |          |          |
| P&L Statement                  |            |          |          |          |          |          |          |          |
| Break Even Analysis            |            |          |          |          |          |          |          |          |
| <b>Marketing Plan:</b>         | <b>25</b>  |          |          |          |          |          |          |          |
| Distribution                   |            |          |          |          |          |          |          |          |
| Promotion                      |            |          |          |          |          |          |          |          |
| USP                            |            |          |          |          |          |          |          |          |
| Risk Mitigation                |            |          |          |          |          |          |          |          |
| <b>TOTAL</b>                   | <b>100</b> |          |          |          |          |          |          |          |
| <b>RANKING</b>                 |            |          |          |          |          |          |          |          |

Name of Judge:

Place:

Date:

Signature:



## 23. The Power of Networking

It's not what you know but who you know that makes the difference.

*-Anonymous*

### Learning Objectives:

- ✓ Learn what is meant by Networking.
- ✓ Understand the importance of listening: A successful person is always a good listener first.
- ✓ Know the difference between hearing and listening.
- ✓ Learn how to use an Ice Breaker to have people open up to you. A good icebreaker is fun and light.

### Session Plan

This session is applicable to all four levels of AEW and CMS, with slight variation in the questions. This session also works as an ice breaker. Recommended time allocation is as follows:

Activity..... 20 minutes  
Discussion.....: 7 minutes  
Conclusion.....: 3 minutes

### Materials Needed

- Notebook for the facilitator to make notes for the quiz.

### Activity

- Tell the participants to close their note books and put their pens/pencils away.
  - Explain to the participants that they will do a listening and relationship building exercise. We also call it 'networking' or an introduction exercise.
  - In any typical workshop or class room situation, people tend to gravitate towards those whom they know or are from the same
-

organization. Therefore, before the session starts, please ask each person to sit next to a person whom they do not know or do not know well.

- As you will have to divide the participants into pairs, you need an even number of participants. If there is an odd number of participants, make one of the facilitators or staff take part in this session/activity.
- Make sure that each participant has a partner and he or she is sitting next to that person.
- Tell the participants that each person has to find out the following four things about his/her partner, their new friends, and that the time allotted to each pair is three minutes – i.e. each person has 90 seconds (one and a half minutes) to learn about his/her partner. The things to find out are:
  - The person's name and organization/Self Help Group/College/School.
  - The person's hobby.
  - The person's favorite film star or TV serial character.
  - The person's role model (or some other fun question).

#### **Note to the Facilitator**

Since many of the participants are meeting for the first time, we have kept the questions light and easy and not too heavy in nature. It should be a fun exercise. So please do follow the questions above and not change them. You may, however, slightly modify the questions, based on the type of audience you have and their background if you have to.

- Do not write the questions on the board or on the Power Point slide. Tell them to listen to the questions very carefully. You will repeat them twice and no more.
- Ask the participants to listen to the answers from their partners carefully, as they will be introducing their partners.

- Before the introductions start, please tell all participants that they have to listen to all the introductions as there will be a quiz (test) afterwards on the introductions.
- Make notes of at least 10 interesting questions to be used in the quiz. Like all I Create quizzes, the participants will grade the answers themselves.
- From each pair, one person will introduce the other in **30 seconds**, using the information collected during the 90 second interaction. The person doing the introduction should be seated while the one being introduced should stand.
- Make sure that there is absolute attention by all and no cross talk during the rounds of introductions.
- When all the introductions are over—which should be about 20 minutes for 30 participants—pose some of the following questions to elicit points for further discussion and conclusion:
  - What did we try to do in the exercise just completed?
  - How did it help?
  - Do we now know more about some people?
  - Did you find someone with interests/skills/hobbies similar to yours?
  - Do you think someone in the group will be able to help you in your business or activity?
  - Does someone have knowledge about something you need to know?

Don't start thinking of what next to ask while someone is answering your question. This is the biggest hurdle to good listening. If you are already thinking about what you are going to say, then you're not listening.

## Discussion

After posing the questions listed above, and getting the response, you can use the following brief points and or tips to reinforce the importance and art of listening. You may also make use of the Power Point Presentation where appropriate, to supplement your discussion.

### Tips on Active Listening

- Focus on your partner's words and nothing else. If you have not understood something, ask him/her to repeat it.
- Don't start thinking of what next to ask while s/he is still answering the first question. **This is the biggest hurdle to good listening.** If you are already thinking about what you are going to say, then you're not listening. Listen until the other person is done speaking before thinking of what to reply. You can always pause before you reply or ask the next question.
- Show that you are paying attention to what the speaker is saying, through your body language: make proper eye contact, and show your involvement by leaning a bit forward towards the speaker, nodding your head appropriately when required.
- Look straight into your partner's eyes. You will not only be able to listen better but it will show that you respect her/him.
- When appropriate, show the speaker you are a good listener by using some encouraging statements like, "Wow!"; "Brilliant! That's really interesting", "Hats off to you! You truly are a brave and adventurous person."
- Make it a game of being a good listener. (Keep notes on how to be a good listener and keep visiting them and score yourself after key conversations for a month.)
- It may be hard work at first, but with practice, it will become routine and you will become a good listener.
- Remember, most successful people do more listening than speaking. Remember, *God gave you two ears and only one tongue.*

## Conclusion

- ✓ Smart networkers realize that their potential influence is directly related to the size of their network and base of connections. A network is a varying collection of people from all walks of life—someone may be a CEO, whereas another may be a part-time secretary you meet at the bus stop; most of you may have met initially by chance, through work or otherwise. In the jigsaw of life you never know where that person might show up again or how much influence their opinion of you may carry, or when again you may need to seek his advice or help.
- ✓ Master networkers build relationships that are mutually helpful and not simply to take advantage of a "connection." In one sense then, building a network is like building an informal team that helps you and your enterprise succeed as you help them succeed

God gave you  
two ears and  
only one  
tongue.

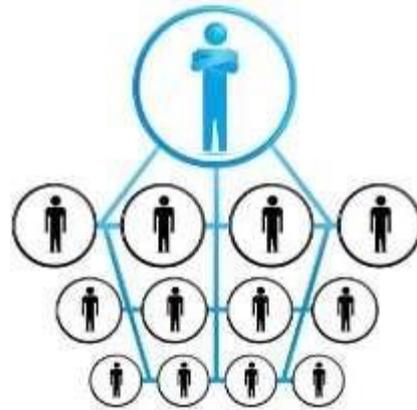


IMAGE COURTESY OF DIGITALART / FREEDIGITALPHOTOS.NET

You can make more friends in two months by becoming interested in other people than you can in two years by trying to get other people interested in you.

*-Dale Carnegie*



## 24. How to Network Effectively

Networking means creating a feeling of trust and warmth with new acquaintances which is seen by them as mutually beneficial.

When we network and spend time with our potential clients or stakeholders, our objective is to “educate them” on our business capabilities and what service or product we offer them, and not to curry favor.

*–Richard Bach*

### Learning Objective

- ✓ To understand what Networking is.
- ✓ To learn the Dos and Don'ts of Networking.
- ✓ To learn the Tools for Effective Networking.

### Session Plan

This session is applicable to all four levels of AEW and CMS. Recommended time allocation is as follows:

Discussion..... 20 minutes  
Activity..... 20 minutes  
Conclusion.....: 3 minutes

### Discussion

Ask the participants what they understand by “networking” and “what is the purpose of networking”?

You may get varied answers like connecting, exchanging business cards, selling (as in network marketing). Through counter questioning and prodding, nudge them towards “networking means relationship building” and “purpose of

networking is to know and develop more connections and not selling, though in the long run sales may result”.

Ask each of the participants to think of a person who they think as having ideal networking capabilities. Then ask them to write down three effective things he or she does to expand his/her network. The person could be someone they know personally, a well-known person, a character in a story or movie—anywhere in the world. Give them five minutes.

Since you won't have time to have each of them narrate their answers, have all of them go back to their teams (or set up groups if the teams are not formed yet) and have the group pick the best example from the group members. Have the winner come up and explain his or her choice of person and the three traits of that person.

In all, if you have six groups, you should be able to get 18 traits on the board—some repeated—and that's fine.



### Tips for the Facilitator

Here are a few simple traits that you can share with the class that will help them become good networkers.

- Take genuine interest in the persons you are trying to network with. Learn more about them through various sources – friends, relatives, classmates, newspapers, magazines etc.
- Understand about their family (but don't be nosy), hobbies, causes they support etc.
- Determine how your activity/product/service will bring value to the person you are planning to network with.
- Start with your known group or inner circle. In the first phase, include your immediate friends, family, colleagues, relatives and former colleagues. Spread the word about your business and the value it brings. Ask if anyone has a contact that might be able to offer advice. Then make sure to ask every person you meet for two or three more referrals. (“Do you know anyone else who might benefit from what I have to offer?” can be an effective question.)
- Preparing a short speech—an elevator (lift) speech—that can be delivered in 30 seconds or less (more about it later) is very important. The more you are able to tell people in a logical and concise way what you have done and what value you offer, the more they will be able to keep their ears open for you.
- Target trade groups. Join the trade or industry group in your area and local chamber of commerce. Consider volunteering on one of the group's committees to meet members. Volunteering with professional, community and other groups is a good way to gain visibility and develop relationships.
- When you are at a networking event, mingle and act as a host and not as a guest. When we attend a meeting or a gathering, we often wait for people to reach out to us. There are always excuses that we do not know anybody. The best technique to overcome this and get the most of our time and event is to act as a host and not as a guest—even when we are guests. Reach out to people and make interesting comments about them, your business or just talk about some useful and interesting news item you have read. Ask people for their opinions.
- To make the most of the networking event, arrive early. Make sure you have plenty of business cards and/or brochures. Do not be afraid to approach people whom you do not know and introduce yourself. Do not hard sell yourself or your company. Networking meetings are to be social and semi-informal / relaxed. Do your best to remember the names of individuals you have met.
- Follow through. After the networking meeting, it is important that you follow up with the people you have met in a timely manner. Nothing can kill a budding relationship faster than not writing a proper thank-you note or email, but do not assume the content of an email is any less important than a letter.

When we attend a meeting or a gathering, we often wait for people to reach out to us. The best technique to overcome this and get the most of our time and event is to act as a host and not as a guest—even when we are guests.

Tell the participants “In the next lunch break, I want you to practice this and practice it in every break thereafter. At the end of the training program, you should have made at least five solid friends”

Ask some searching questions after the lunch break, such as “How many of you acted as hosts?” Ask two or three persons to volunteer and share their experience.

### Short Speech: “The Elevator Pitch”

In the discussion earlier, participants were told about preparing a short speech that can be delivered in 30 seconds or less. Where does the 30 seconds come from and what do you call such a speech? It is very often referred to as an “Elevator Pitch” or a “Bus Stop Speech” in the local context.

#### What is it?

An elevator pitch, or an elevator speech, presentation, or story, is a succinct speech that sums up unique aspects of a business and is designed to get a conversation started. Named an “elevator pitch” because it should last no longer than the average elevator ride (that is where 30 seconds come from), it's an important communication tool that should give the audience not only enough information to educate but also make them want to know more. A good elevator pitch gives the big picture of the business in an intriguing way.

#### Why do you need one?

In any business, great connections are made face-to-face, and sometimes are unplanned. You may find yourself at a trade show standing next to exactly who you wanted to talk to or at a restaurant. You may meet the person with whom you have been seeking an appointment, but have only 30 seconds to start a conversation. A ready, well-crafted elevator pitch (or Bus Stop Speech) will help you say enough in just a short amount of time to catch the attention of that person.

#### Dos and Don'ts

An elevator pitch should not contain intricate details of the business. You should be able to explain what the overall business is about and what it can do for them.

The goal is not to deliver your 30-second advertisement; it's to promote a two-way conversation. A successful pitch is where the other person relaxes and says, “Interesting. Tell me more.”

**Do not use fancy language.** Avoid words like “synergy”, “optimize”, “efficiency”: they make it sound like a sales pitch.

#### A Few Good Examples

*Allow me to give you an example, Mr. Singh. Adhunik University needed their web designer to make the updates each time the course schedules changed which often didn't happen. I created a*

Preparing a short speech—  
an elevator (lift) speech—  
that can be delivered in 30  
seconds or less is very  
important.

*new website and now the registrar's staff can make changes themselves, saving them money and time. My name is Avinash. If you can use Word, then I can show you how easily you can update your website.*

*I work with companies who want to stop unavoidable sick leave by employees and be more productive by taking better care of themselves and their employees -- A health and fitness expert with a fitness company.*

*I Create empowers disadvantaged members of society through practical entrepreneurship training, mentoring and help with access to capital. We are in the business of demystifying business at the grassroots level  
– Harsh & Aruna Bhargava, Founders of I Create*

## Activity

- Ask the participants to be seated in their teams.
- Each team has to work on its very short “Bus Stop” speech for its business idea. Give five minutes for this.
- At the end of this, all teams should be ready with their speech.
- Ask one spokesperson from each team to make the pitch to you or a “contact” designated by you. Designate a different “contact” for each team. Explain who the contact is (his/her background and current activity—it should have relevance to the business idea of the team). For example, if the business idea of the team is “organic manure” then the “contact person” could be a farmer.
- Each team should present the pitch by turn. The total time for each team is 30 seconds, once the person gets the floor.
- While the teams are making their pitches, all participants will listen and make notes of their observations about the pitch – content, delivery, relevance etc.
- After all the teams have done their pitches, the floor is open for some structured discussion.
- Move from one team’s pitch to the next for discussion.

- First ask the “contact” for his/her views and feedback. Then ask the other participants for their views. In all of these feedbacks, there should be suggestions for improvement or what else could have been done and not just saying “it was wrong” or “it was notgood”.

## For Optional Reading

### Web Links

- <http://www.nytimes.com/ref/open/finance/OPEN-NETWORK-EFFECTIVELY.html>
- <http://workawesome.com/communication/how-to-network/>
- <http://www.tobeanentrepreneur.com/blog/how-to-write-a-winning-elevator-pitch/>

A good speech has a very interesting beginning, a very compelling conclusion and both are very close to each other.

*-Anonymous*

## 25. Negotiation

In business, you don't get what you  
deserve, you get what you negotiate.

–Chester Karrass

### Learning Objective

- ✓ Implement negotiation skills while doing business.
- ✓ Know the difference between Negotiation and Bargaining.
- ✓ Get a concrete reply in “yes” or “no” instead of “maybe” or “possibly”.

### Session Plan

This session is applicable to all four levels of AEW and CMS. However, for Level 1, a different case study might have to be used. Recommended time allocation is as follows:

Activity..... 28 minutes  
Discussion..... 12 minutes  
Conclusion.....: 5 minutes

### Materials Needed

You need two facilitators and the following material:

- Hand Towels (different colors, one per pair of participants)
- Handouts (for the seller and buyer)

### Activity

1. Group the participants into neighboring pairs. (1's and 2's)
2. One group is Hotel Owners (buyers) and the other Towel Manufacturers (sellers).
3. Give each group appropriate handouts (one per person) and a sample towel to each towel manufacturer.
4. Take each group to different rooms or corners. Let them go through the hand out and seek clarifications, if any. Make sure all have understood the instructions.

5. Bring them back to the room and give them seven minutes to complete a deal.
6. Begin a countdown of the time left for striking the deal in order to put the players under pressure for time. At the end of the specified time, tell them to stop negotiations.
7. Ask all participants to assemble as a class for discussions.

## Discussion

- Ask how many pairs came to an agreement.
- Ask each pair that struck a deal to write down their final price.
- Make a few pairs at random come up (based on the highest price, lowest price or any other interesting criteria) and enact the scene in brief and make the audience give feedback or ask questions.

You can use following prompts to make the discussions interesting:

- “What was the opening price of the “Buyer” or “Seller” from various pairs?”
- “Who negotiated only on price?”
- “Did anybody discuss delivery or payment terms?”
- “Did anyone use ‘silence’ or apparent lack of interest as a negotiating tool?”
- “Did any ‘Buyer’ talk of competitive products?” How did the seller respond?”

Ask the participants to describe what they learned from the activity.

## Conclusion

- ✓ Is it Bargaining or Negotiation?

**Bargaining** is what people typically think of as haggling, point counterpoint or pushing back and forth on price. If one always sticks to bargaining, the end result will not augur well for the business.

In bargaining, often one asks for a discount without any justification for why you should get one. It actually results in a Win-Lose situation. This may result in

losing customers or suppliers as they might feel this person always bargains and is never ready to negotiate.

**Negotiation** is a **dialogue** between two or more people or parties, intended to reach an understanding, resolve a point of difference, or gain an advantage in the outcome of a dialogue. Negotiation is intended to aim at **compromise**.

As a businessman, you should always use negotiation, where both you and your client, supplier or employee come to some sort of an agreement. It is a gain for both you and the other party i.e. it is a Win-Win situation.

To be a good negotiator, remember the following points:

- Go prepared with research as to why you should get that discount.
- Look at competitors and know the market.
- Be ready to compromise.
- Set your goals and organize your thoughts.
- Decide on your boundaries.
- Determine what the best deal is for you and which is the worst?
- Know your minimums and maximums.
- Put yourself in the other person's shoes.
- Determine the non-negotiable.
- Encourage the other person to make the offer.
- Do not show anxiety.
- Use silence as a tool.
- Show willingness to accommodate.

Negotiation is a dialogue between two or more people or parties, intended to reach an understanding, resolve a point of difference, or gain an advantage in the outcome of a dialogue.

*Last but not the least, negotiation is not just about price; there are other factors like delivery, specifications, payment terms, after sales service etc. Often, a buyer will agree to your price if you are able to provide exactly what the customer is looking for. For example, a customer may simply be looking for timely delivery and price may not be a consideration.*

*So the cardinal rule about negotiation is to find out what exactly the other party is looking for. Accommodate him on that and he will accommodate you on your priorities. That's a win-win negotiation.*

Finally, focus on defeating the problem and not each other.

It is generally believed that a good negotiation is the one where both parties are slightly dissatisfied with the outcome of the negotiation.

**Note to the Facilitator**

At the end of the session, do not forget to collect the towels distributed for sample demo purpose.



IMAGE COURTESY OF KJNNT / FREEDIGITALPHOTOS.NET

The cardinal rule about negotiation is to find out what exactly the other party is looking for. Accommodate him on that and he will accommodate you on your priorities. That's a win-win negotiation.

You must never try to make all the money that's in a deal. Let the other fellow make some money too, because if you have a reputation for always making all the money, you won't have many deals

*-Dwight D. Eisenhower*

### Manufacturer of Towels

You are a manufacturer of napkins (hand towels) and you have responded to a request for a quote from one of your customers for supplying 60,000 napkins. Your quoted price is @ Rs.22 per napkin. Last year, you supplied to the same party a similar quantity @ Rs.20 per napkin. The buyer was happy with your product quality and service.

The main reason for your increase in price is cotton price has gone up by 20%, labor up by 5% and other general escalation.

This customer has called you for a meeting to discuss your quotation which is already with him.

Your production unit has a capacity limitation of 15,000 per month.

You know that the customer uses the 60,000 over a period of one year.

Your cost per napkin, including all costs (variable & fixed), is Rs.18.

A survey of the market and the price at which your competitors are selling is as follows:

#### Market Information

|             | A        | B           | C           | D            | <b>Need</b>       |
|-------------|----------|-------------|-------------|--------------|-------------------|
| Yarn Court  | Rough    | Smooth      | Fine        | Superfine    | <b>Fine</b>       |
| Life Span   | 6 Months | 6 -8 Months | 8-12 Months | 12-18 Months | <b>12 Months</b>  |
| Absorption  | 40%      | 50%         | 70%         | 90%          | <b>90%</b>        |
| Color       | Single   | Double      | 4 Colors    | All Colors   | <b>All Colors</b> |
| Price (Rs.) | 14       | 18          | 22          | 25           |                   |

Your task is to make a deal with the hotel owner/his representative and bag the order. A sample of what you produce is with you for showing to the customer.

---

### Hotel Owner

You run a boutique hotel and a restaurant with some significant number of rooms. Your annual requirement of napkins to replace the torn, worn out and lost ones is 60,000 and its usage is uniformly 5,000 per month.

Last year, you got the product from a reputed supplier at Rs.20 per napkin. The service was good and quality as per specification. This year, your supplier has quoted Rs.22 per napkin (against Rs. 20 last year).You are aware of the escalations in the raw material as well as labor and general expenses.

The product you are looking for is “fine yarn count” with 90% absorption and in all colors with durability for 12 months. You are willing to accept 70% absorption.

Though you have asked for a price point for 60,000 napkins, you are not in a position to take delivery at once due to space limitations. You would prefer 4 deliveries – i.e. 15,000 per quarter. Your supplier may or may not be aware of this limitation.

You have called the supplier for a meeting to discuss the quotation and finalize the deal.

You have checked around in the market and it has given you the following information:

#### Market Information

|             | A        | B           | C           | D            | Need              |
|-------------|----------|-------------|-------------|--------------|-------------------|
| Yarn Court  | Rough    | Smooth      | Fine        | Superfine    | <b>Fine</b>       |
| Life Span   | 6 Months | 6 -8 Months | 8-12 Months | 12-18 Months | <b>12 Months</b>  |
| Absorption  | 40%      | 50%         | 70%         | 90%          | <b>90%</b>        |
| Color       | Single   | Double      | 4 Colors    | All Colors   | <b>All Colors</b> |
| Price (Rs.) | 14       | 18          | 22          | 25           |                   |

Your task is to make a deal with the supplier and book the order. You have tried other suppliers and are not satisfied with their quality.

## 26. Expanding Markets — A Learning Game

The latest annual Global Trade amounted to about \$ 19 Trillion (\$19,000,000,000). A great opportunity exists for our entrepreneurs to plug into this huge Global Trade activity.

### Learning Objective

- ✓ Learn the benefits of trading.
- ✓ Know the difference between local, regional and global markets.
- ✓ Know more about how to expand your market and what precautions to take.

### Session Plan

This session is applicable to CMS and all four levels of AEW. Recommended time allocation is as follows:

Activity..... 20 minutes  
Discussion..... 15 minutes  
Conclusion.....: 2 minutes

### Materials Needed

- Brown paper bags (opaque), one for each participant.
- 10 to 20 types of small items e.g. comb, chocolates, biscuits, toys, hairclips, toothpaste, pencils, pencil sharpener, note pad, sticky pad, small scissors, small knife, small kitchen tools, nail clipper, shaving razor, ladies make up items—good quality if price permits, etc. They have to be inexpensive items. The total number of such items should be five times the number of participants. **Average** unit price to be Rs.5 per item.

Before the class begins, put five randomly selected items in each bag and close the bag.

## Activity

- Make it clear to the participants that they have to follow the rules of the game. They have to listen very carefully because you would explain these rules once and then repeat them only one more time. Make sure that the participants are seated in their respective teams. Also, ensure that the total number of participants is an even number, as we need to pair them later. If the total number is odd, add one other person (an observer or faculty).
- Pair the participants and let each one know who his/her partner is (you can use counting 1-2 etc.).

### Instructions:

#### Round 1:

- The first instruction is that they should neither open nor handle the bags.
- Pass the bags out in such a way that each participant gets one bag only. Now repeat the first rule: **Participants should neither open nor handle the bags.**
- The second instruction: “When you are asked to open the bag, do it in such a way that none except you are able to see what is inside the bag. **Even your neighbors should not know what you have got.**”
- Now tell the participants: After seeing the contents of your bag, you have to rate your level of happiness with the items you have got, on a scale of 1- 5, as given below:
  - Very unhappy .....1
  - Not happy .....2
  - Average happiness ...3
  - Happy .....4
  - Very happy.....5
- Tell them that they should now open their bags and look at the contents. After closing their bags, they should then write down on the bag their level of happiness with the items. It could be written as R1 – (level). Tell them not to share their scores with fellow participants.

- Ask the participants who were very unhappy (i.e. with a score of 1) to raise their hands. Count and record their number in the column marked (n1) on a **Happiness Chart** as given below:

| Happiness Level | 1<br>Very Unhappy | 2<br>Not Happy | 3<br>Average Happiness | 4<br>Happy | 5<br>Very Happy | Total Class Happiness |
|-----------------|-------------------|----------------|------------------------|------------|-----------------|-----------------------|
| Round 1         | (n1)              | (n2)           | (n3)                   | (n4)       | (n5)            |                       |
| Round 2         |                   |                |                        |            |                 |                       |
| Round 3         |                   |                |                        |            |                 |                       |
| Round 4         |                   |                |                        |            |                 |                       |

- Likewise, count and write down the number of participants with happiness levels of 2 against (n2), 3 against (n3), 4 against (n4) and happiness level of 5 against (n5).
- Verify that the total number of students as per the chart (n1+n2+n3+n4+n5) is equal to the total number of students who are playing the game.
- Calculate the “Total Class Happiness” using this formula: [(n1x1) + (n2x2) + (n3x3) + (n4x4) + (n5x5)]. Write the answer in the last column of the chart for Round1.

**Round 2:**

- Pair off the participants with their immediate neighbors (as indicated earlier). Make it clear that they will be given just one minute’s time in which to show their partners the items in their respective bags and to use their negotiating skills to exchange any of the items by mutual consent. Once your instructions are clear to the class, ask them to start trading with their respective partners.
- After one minute, tell the class to stop trading. Now tell them to rate and write down their new levels of happiness based on the items at hand. (R-2)
- As done in the earlier round, compute and enter the figures in the **Happiness Chart** so as to find out “Total Class Happiness” after Round 2.

**Round 3:**

- Instruct the class that they will now be given three minutes, during which time they can interact with the members of their team and—using their negotiating and other skills—exchange the items in their respective bags with anyone in the team. Once this instruction is clear to the class, ask them to start trading in the team.
- After three minutes, tell the class to stop trading and tell them to rate and write their new levels of happiness based on the items at hand. (R-3)
- As done in the earlier round, compute and enter the figures in the **Happiness Chart** so as to find out “Total Class Happiness” after Round 3.

**Round 4:**

- Instruct the class that they will now be given five minutes, during which time they can get up from their seats and will be free to interact with anyone in the entire class, using their negotiating and other skills to exchange the items in their respective bags. Once this instruction is clear to the class, ask them to start trading with anybody in the class.
- After five minutes, tell the class to stop trading and return to their seats. Now tell them to rate and write their new levels of happiness based on the items at hand.
- As done in the earlier round, compute and enter the figures in the **Happiness Chart** so as to find out “Total Class Happiness” after Round 4.

## **Discussion**

Using the completed **Happiness Chart**, lead the participants in an analysis of the change in happiness that occurred. Under normal circumstances of voluntary trade, the total happiness of the class would increase from Round 1 to 2 and further from Round 2 to 3 and from Round 3 to 4.

Discuss changes on the chart that are particularly interesting. For example, the happiness level of one or more participants may have come down if their trading partner/s used coercion or other unfair means, or if they later regretted their own decision. Also, growth in happiness level may flatten quickly if the participants like what they have after the first round of trading.

Lead a discussion on expanding markets by asking the participants questions such as:

- “What are the advantages of growing markets? Regional, National, International?”
- “Did the opportunity to exchange the number of items increase as the group size you were trading with increased?” (Here, the answer may not always be ‘yes’ since the participants had already traded away items they didn’t want within the smaller groups earlier. However, conceptually the answer would be ‘yes’.)
- “Why Export?”
- “What are differences in selling to domestic market and to export markets?” Some examples are: Cultural sensitivity, taste, fashion, measurement units (for example US uses yard and inches, pounds and oz.)
- “What are the precautions to take when planning to export?”

Also, recognize, appreciate and reward the **creative methods** used by the participants in trading.

## Conclusion

The decision to expand your business must be a result of thoughtful consideration of **various factors**, including the financial, logistical, and your organizational readiness. By expanding your markets, the probability of your business growing is definitely higher. It will also increase your level of happiness (increase in profit being one of the reasons). **Start locally and grow globally, as the saying goes.**

One important factor to be kept in mind while expanding your market globally is that you need to be aware of the tastes, practices, existing government regulations and policies in that particular country and the payment terms essential for international trade. You also need to be aware of the culture sensitivities in the country where you are trading and how to communicate with your potential international customers effectively. We plan to put a module on cultural and other sensitivities for export on I Create Cloud Campus Learning Circle.

## Optional Reading

### Web links

- Factors to be considered before expanding market:  
<http://www.powerhomebiz.com/vol75/expand.htm>
- Expansion Factors To Consider:  
<http://www.entrepreneurialconnection.com/skills/module62/five.asp>
- Factors to be considered before entering foreign markets:  
[http://wiki.answers.com/Q/What\\_factors\\_need\\_to\\_be\\_considered\\_before\\_entering\\_foreign\\_markets](http://wiki.answers.com/Q/What_factors_need_to_be_considered_before_entering_foreign_markets)

IMAGE COURTESY OF WATCHARAKUN / FREE DIGITAL PHOTOS.NET



The decision to expand your business must be a result of thoughtful consideration of various factors, including the financial, logistical, even your emotional readiness.

## 27. Intrapreneurship: Advanced Employability Skills

An Intrapreneur works in a company as an employee, but thinks like an entrepreneur. Just as he would watch the costs, ways to improve efficiency, ways to increase sales, and think of creative ideas for his own business, he would have the same approach as an employee in the company.

In today's world, for businesses to survive, they must inspire an individual employee to become an Intrapreneur—an employee with entrepreneurial approach to the business. They must create an environment where the employee thinks of cutting costs, wastage, improving sales, quality, customer service and creative approaches and ideas, as if it were his business. While many businesses still run as a rigid hierarchy, and do not encourage Intrapreneurship, things are changing and companies are seeing the value of Intrapreneurship. Apple wouldn't have been the Apple of today if Steve Jobs hadn't inspired the employees to work creatively as Intrapreneurs. Virgin Atlantic has grown to 200 companies within 10 years since it started promoting Intrapreneurship.

So with I Create training, whether you take up a job as a sales person, or as a production employee or work in the Customer Service department of a big company, your knowledge of what makes an enterprise become successful; the knowledge you gain at an I Create workshop in finance, marketing, sales, quality, negotiating skills, and communication skills to mention a few, will greatly help you to contribute to the firm. You will not be thinking like a small cog in the wheel but will be able to understand and harmonize with the overall company goals. This makes you a better candidate for being recruited, and increases your growth prospects once employed.

Under its CMS program, I Create training is thus not just for creating entrepreneurs but also provides advanced job skills to help you become an Intrapreneur in an organization, small or large.

**Under its CMS program, I Create training is thus not just for creating entrepreneurs but also provides advanced job skills to help you become an Intrapreneur in an organization, small or large.**

We do believe the following are some of the important parts of job skills training:

- Identifying what your dream job is and doing a job hunt,
- Writing a good resume,
- Grooming, and
- Interview Skills—including preparation for the interview.

**Modules for the above are planned to be included in I Create Cloud Campus Educator Circle.**

## 28. Communicating for Success in Business

“Written and Oral Communication” was the course voted as the single most useful one in real life among all the courses taught at the MBA program at Harvard Business School.

*–A result of survey of successful Harvard Business School alumni*

### Learning Objectives

- ✓ Learn simple ways for effective business communication.

### Session Plan

Activities and Exercises.

### Instructions to the Facilitator

As always, get the class to come up with answers but help with examples and samples to drive the points.

Start with the following questions:

**1. What are the different forms of communication?**

Let the class come up with the answers. Have the class come up with examples of each. **(Keep it brief.)**

**Answer:** Written, Oral and through Body Language.

**2. What is the most common form of business communication?**

Compliment the one who says “Written.”

**3. What form of written communication is the most used today?**

Compliment the one who says “E-mail.”

66% of written business communication is via e-mail.

(One study states that 66% of written communication is via e-mail in business. Text message, Face Book, Twitter etc. are mostly used for social communication.)

#### Important Note for the Facilitator

Please emphasize that nearly all the rules that apply to e-mail also apply to any other form of business communication—be it a letter or memo etc.

#### 4. What is the most important area of an E-mail?

There will be many answers but compliment the one that says, “Subject Line”

Have a short discussion for about two to three minutes on why. Remember, when you open your e-mail inbox page, you only see the sender’s name and the subject. Subject is like the headline of a news article in a newspaper. Only if the headline is of interest to us, do we read the rest of the article.

Ask for examples of good and bad subject lines.

#### Tip for the Facilitator

One of the worst things to do is to leave the subject blank or just say “hello”. A good subject will tell you immediately what the e-mail is about, e.g. “Your order shipment details.”

- Have the participants form four groups and ask each group to take a piece of paper and list three most important things for an effective e-mail and why, and one thing to avoid and why – all in the context of business. Allow two to three minutes for this exercise.
- As the participants read their lists, you can jot the items on the board. The list you get may look like bulleted list below:

**Important:** To be worthwhile, keep the list short and spend time in going over why. The illustrative whys in brackets are given below as facilitator tips.

The Subject Line is the most important area of an e-mail.

- State the Most Important First (Business people are very busy and often have limited patience to go through the whole e-mail.)
- Be Brief and to the point (Same as above.)
- Do a spell and grammar check (If your e-mail has an error, the reader may make a bad judgment of the quality of your product or service.)
- Take a second look at the e-mail before pressing the send button. (For important letters, sleep overnight and read with a fresh mind.)
- Respond promptly (If you don't have an immediate answer, simply acknowledge and state that you will give a response in x number of days, and make sure you do so. Never say, "I will get back to you as soon as possible." 'As soon as possible' doesn't give the reader any idea and leaves him/her wondering about when s/he might expect to hear from you. Give a specific time frame. "I will be back to you in two days", or "I will be back to you early next week", or "I will respond by Friday", etc.
- Remember to send a thank you e-mail when you have got a response to your e-mail. (Jeff Bezo, the founder of Amazon, says that is the biggest investment of his time—sending thank you e-mails.)
- A few items to avoid:
  - Avoid abbreviations—especially if writing internationally. (See sample of bad email later in this module.)
  - Don't use all capitals. (It is considered a bit too aggressive and even rude.)
  - Avoid stylized or too small fonts. (Could be difficult to read.)
  - Minimize bold or underlining.
- Now show the participants the examples of good and bad e-mails given below and ask them about the good points in the good e-mail and bad points in the bad e-mail. Give an opportunity to as many students as possible to participate in the discussion and do not let two or three monopolize the discussion.

.....  
SUBJECT hello

dear mr harsh

how r u.

mr dinesh gave me ur msg.. we r in a position to ship the rubies and give u the best prices. V r largetst xporters of rubies n other precious stones from jpr and have hi reputation.

with kindest regs

v remain

mohan  
.....

**Question:** Is this an example of a good e-mail or a bad one? (You will get the right answer—bad.) Now ask the class what all is wrong with the e-mail. Give an opportunity to different students to respond. (Also, point out that while some people may know that ‘msg’ is short form for message, others think of ‘msg’ as monosodium glutamate—the flavor enhancer used in Chinese food!)

The next one is an example of a good e-mail. Again, ask them what’s good about the e-mail.

Subject: Thank you for your visit.

Dear Mr. Singh,

Greetings from Kolkata.

Would you kindly let me know when we can expect to receive your order for the 500 designer shirts you liked during your visit?

*(You can end the letter with some personal touch as below.)*

My wife, Saroj and I really enjoyed meeting with you and Mrs. Singh. We hope you will visit us again and give us the opportunity to show you around Kolkata.

Kind regards,

Dhirubhai

Dhirubhai Sen  
President,  
Sen Garments Co.  
(Designer and Manufacturer of Premium Men's Clothing)  
Mobile 99 9876 5432  
[www.garmentsthatmakesens.com](http://www.garmentsthatmakesens.com)

**Start practicing the above communication guidelines today and become a master communicator!**

## Optional Reading

### Web Pages

- <http://www.dailywritingtips.com/email-etiquette/>
- <http://jerz.setonhill.edu/writing/e-text/email/>
- <http://michaelhyatt.com/e-mail-etiquette-101.html>

### General Writing

- [www.dailywritingtips.com](http://www.dailywritingtips.com)



## 29. Sources of Funds (You Have a Great Business Plan, and Now, How to Finance It)

In a survey, 80% of small businesses start-ups around the world said that access to finance was the biggest hurdle. While World Bank's Doing Business ranking gives an overall poor ranking to India, fortunately, it gives it a very high 35 out of 180 countries around the world in the area of access to finance.

### Learning Objectives:

- ✓ Identify different kinds of sources available for meeting the funding requirements of the business.
- ✓ Understand the implications of using these sources.

### Session Plan

It is applicable to all levels of AEW. However, the Facilitator should cover the items selectively. For example, if the group is rural, there would be no need to cover the scheme meant only for urban folks.

#### Note to Facilitators

This session would generally be conducted after the teams have worked on their start-up costs for the business idea being pursued. The session will help them identify the sources.



IMAGE COURTESY OF PATPITCHAYA /  
Freedigitalphotos.net

## Activity 1

- Ask each participant to list the various ways in which money can be raised by an entrepreneur. Then ask each team to consolidate their list, thus making one list for each team. Give a total of five minutes for this combined activity.
- Ask each team to give one source and write it on the board. Other teams must not repeat the item. Do about two quick rounds and the list may look as follows:

|                                       |                                              |
|---------------------------------------|----------------------------------------------|
| Personal Savings                      | Government Schemes thru Banks                |
| Partner's Contribution                | Micro Finance                                |
| Friends and Family                    | Subsidy or Grants                            |
| Self Help Group (SHG) <sup>(ii)</sup> | Money Lender                                 |
|                                       | Angel Fund or Venture Capital <sup>(i)</sup> |

- i. These sources may not—and need not—come up with grassroots level participants.
- ii. There is an element of personal saving and an element of loan in SHG financing.

### Pros and Cons of Different Sources

Since the participants may be new to this area, briefly go over the pros and cons of each type of financing and ask them if they have any comments or questions:

- **Personal Savings, Partner's Contribution or Shareholders' Money**
  - All these are Owners' investments or "Equity".
  - There is no "immediate cost" to the enterprise since there is no interest or dividend payment expected from the enterprise at the early stages.
  - When the enterprise becomes profitable, owners may decide to take part of the profit as dividends. (Remember, a reasonable salary to the owner/s for running the business is not the same as sharing the profit.)
- **Family and Friends**
  - We recommend that the date when the installments are due is finalized in the terms of the loan from this group in the beginning itself, whether the loan is interest free or not.
  - Since family and friends want to help the entrepreneur, there may not be any major documentation or collateral requirements, and they may get the loan at a much lower interest rate than from other sources. (We do recommend

that the terms of repayment and interest, if any, be written down and signed by all parties.)

- **Government Schemes through Banks**

- This has become the most popular means for external finance. We will go over the specific or selected and most popular schemes later.

- **Micro Finance Institutions(MFIs)**

- With the improvements in microfinance processes, mostly of self-regulation by the MFIs and regulatory reform, this source of funding is becoming popular. The greatest advantage is the ease of procurement, whereas the greatest disadvantage is very high interest rates. We will go over the details later.

- **Subsidy/Grants**

- A good source for some micro enterprise. Like Govt. schemes, they have procedures to follow—that are explained below.

- **Self Help Group (SHG)**

- Must be a member of a SHG.
- A successful and simple government-supported scheme that works on the principle that a member of an SHG with a track record of good credit can get a loan from a bank of much larger amount than the SHG savings. Details later.

- **Angel Money/ Venture Capital** (It is a complicated subject so keep it very brief.)

- Not suitable for grassroots level businesses.
- While no interest is payable, such investors expect part ownership of the firm.

### Additional Notes to the Facilitator

While key details of popular govt. schemes are being provided below, prior to doing this module, obtain the correct address of the relevant office for applying under that scheme in your state to give to your trainees.

Details of these schemes and additional schemes will also be provided on the *I Create Cloud Campus – Educator Circle* and updated periodically so you can provide updated information to your trainees, even though some of the basic principles of these schemes don't seem to change that much.

In order to make the presentation user-friendly, have one of your MTs, who could specialize in these schemes, do the presentation. Bankers often go into too many technical details; though needed when applying for the loan, they are not needed at this stage.

### Popular Schemes and Sources of External Funding

India has a large number of schemes for funding especially for micro enterprises, a category in which most of our trainees start-ups will fall.

- **We will talk here only on an overall basis and not go into details to keep it simple.**
- While the office where one should apply may change since most of schemes are central govt. based, the basics are the same in each state.
- We will also not talk about schemes in individual states—such as Shri Bajpai Scheme in Gujarat. However, such schemes that are local or unique to a state can be covered by the IC Center of the state as needed.

**Micro Enterprise (ME)** is defined by the Govt. of India as follows:

- A. **Industrial ME:** Engaged in manufacture/production/processing or preservation of goods. Investment in Plant & Machinery up to Rs.25 Lakhs.
- B. **Service:** Engaged in providing services such as beauty parlor, tax advisor, restaurant etc. Investment in equipment up to Rs.10Lakhs.

## Essential Information on Key Important Government Schemes

### 1. Prime Minister Employment Generation Program (PMEGP) (The most popular Scheme)

- Eligibility: Any individual above 18 years of age.
- No income ceiling but only for new projects.
- The limit of the project cost is as under ME above, if the loan applicant is minimum 8th pass. However, the limit drops to Rs.10 Lakhs in Industrial and Rs.5 Lakhs in the Service sector if the loan applicant is not 8th pass.
- Both Loan and Subsidy available.
- Loan Amount: 90% of the project cost for General Category, and 95% of project cost in Special Category: women, minorities, handicapped, SC, ST etc.
- Margin: 10%—General Category, 5%—Special Category.
- Subsidy:  
General Category: 15%—Urban and 25%—Rural.  
Special Category: 25%—Urban and 35%—Rural.
- EDP and/or Trade skill training required.

#### Contact:

Urban: State District Industries Centers: DICs

Rural: State Khadi and Village Industries Boards (KVIBs)

For Frequently Asked Questions: [www.indg.in/agriculture/rural-employment-schemes/pmegp/frequently-asked-questions-on-pmegp-scheme](http://www.indg.in/agriculture/rural-employment-schemes/pmegp/frequently-asked-questions-on-pmegp-scheme)

### 2. Swarna Jayanti Shahari Rozgar Yojana (SJSRY): For Urban Areas

- For Urban Unemployed (with minimum 3 years in an urban area).
- Age: Minimum 18 years.
- Should not have defaulted an earlier loan.
- Maximum project cost: Rs.2 Lakhs.

- Loan amount: 95% of project cost.
- Subsidy: 25% of project cost, max Rs.50,000.
- Security: No collateral or guarantee required.

Each state has its implementing agency—which is generally the State Urban Development Agency. A 2012 state-wise list is provided here and can be a good starting point for you to get the latest info for this session. <http://mhupa.gov.in/programs/upa/nsdp/sjsry/Nodal-Officers-SJSRY.pdf>

### 3. Swarnajayanti Gram Swarozgar Yojana (SGSY): For Rural Areas

- Eligibility: Individual or group belonging to BPL families in rural areas.
- Size of loan varies and is small.
- Subsidy:  
max Rs.7,500 up to 30% of the project cost for General category  
max Rs.10,000 for SC/ST or Self Help Group up to 50% of the project cost

Contact: Nearest BDO, Bank Branch or Sarpanch.

Details: <http://www.angul.nic.in/sgsy.htm#Objective>

### 4. MICRO FINANCE

India's microfinance sector is slowly becoming popular after the Andhra Pradesh disaster, as a result of the interventions by the state governments, guidelines by the Reserve Bank of India, SIDBI, NABARD, and the self-regulations put up by the association of Micro Finance Institutions (MFIs) in India.

Three key points:

- Microfinance is one of the easiest loan options for a start-up or a running ME.
- Be careful that the interest you pay is on declining balance as required and stay away from MFIs without scruples who may still charge interest on original balance thereby making the interest rate go from 12% to an effective rate of 24%.
- The maximum amount per deal is now Rs.50,000.

Sa Dhan, an MFI association has about 240 members. Details, state-wise locations, and their addresses are shown in their easy to access map. <http://www.sa-dhan.net/files/Sa-dhan-indian-map.htm>

### Micro Finance: Important Caution

- MFIs are now required to charge interest rate on declining balance and not on the original amount. Make sure that the agreement is on a rate that is on declining balance.
- Since the rate is still very high, the good news is that there is no prepayment penalty. Because MFI loans are easy to get, it can be like a bridge loan to get the business started. Once the entrepreneur is able to get a much lower rate loan from the Government schemes such as PMEGP, s/he should be able to return the loan to the MFI. Please make sure that the loan agreement with the MFI does not have any prepayment penalty clause.

### 5. Self Help Group (SHG)

- A Self Help Group (SHG) has become an effective low cost source of micro finance for the poor—especially women. The groups are formed by women that have prior social relationship, or live in the same area.
- The group meets regularly, appoints someone to keep an account and important minutes of the meeting. They often give the group names like Jhansi Ki Rani, Jagritaa, Shakti, etc.
- Typically the group is of 10 or more women and the monthly contribution for the Group's saving account in the bank could be as low as Rs.50 per member.
- Financing through SHGs reduces transaction costs for both lenders and borrowers. While lenders have to handle only a single SHG account instead of a large number of small-sized individual accounts, borrowers as part of an SHG cut down expenses on travel (to & from the branch and other places) for completing paper work and servicing the loan (paying installments etc.)
- The group members use peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral.
- The rate of interest is much lower than a typical Micro finance loan.

Many self-help groups take advantage of [NABARD](#)'s SHG-bank-linkage program and are able to borrow from banks once they have accumulated a base of their own capital and have established a track record of regular repayments.

## 6. Other Specialized Schemes

### Suggestion to the Facilitator

Don't talk about them unless there is a question from the trainee.

- **Swarozgar Credit Card:** To provide a loan of up to Rs.25,000 to small artisans, handloom weavers, rickshaw owners etc.
- **Artisan Credit Card:** Up to Rs.2 Lakhs; Margin is required.
- **SME Credit Card:** Small Business Enterprises (including retail traders, professionals). Loan up to Rs.10 Lakhs; Margin 20% required.
- **Collateral Free Loan under CGTMSE:** For new or existing Micro & Small Enterprises excluding retail and wholesale traders. Loan amount up to Rs.1 Crore.
- For Purchase, Construction or Repair of Shop; Loan of up to Rs.20 Lakhs. Margin required 25% for New and 40% for old.

### Important Notes for the Facilitator

1. Depending on the participants in the class, cover only the applicable scheme. (For example, don't talk about the rural scheme if your participants are urban.) Also, you can skip the slide on "Other Schemes" if not useful for the class.
2. Emphasize that since schemes get revised from time to time, it is best to go to the I Create Cloud website or the website of the Scheme to learn up to date information about the schemes.
3. Make sure you find out the current local contact info for the relevant scheme for the class and tell it to the trainees.
4. If someone in the class has additional **relevant and practical** information, encourage him/her to share it. No theory please.

## 30. Quality: What, Why and How

You have a quality product or service when your customer keeps coming back and not your product.

### Learning Objective

- ✓ Understanding the meaning of quality and what it means in different businesses.
- ✓ Differentiating between quality and specifications.
- ✓ Defining quality for the product/service identified for the business idea for which Biz Plan is being prepared.

### Session Plan

This session is applicable to all four levels of AEW and CMS. Recommended time allocation is as follows:

Discussion and Q and A..... 15 minutes  
Activity..... 25 minutes  
Conclusion.....: 5 minutes

### Discussion

- Lead the discussion by asking the following questions to the participants. After each question, let there be discussions and cross questioning to help understand the key ideas.
- Do not forget to give chocolates for interesting answers. 😊

#### Q1: What do you understand by the term “quality”?

(Based on the type of audience, you may get varied answers like “quality means a better product”, “it works better”, “it looks clean and neat”, “it is attractive” etc. You may occasionally get an answer like “it satisfies customer needs” or some variation thereof. After a few answers, move to the next question).

The following is the most important part of the lesson: After the brief Q and A on quality in general, ask the following questions to the groups you have formed and give them 5 to 7 minutes to write very short answers to the following question:

**If you are a customer of the following, what do you look for 'quality' in each of them? List three qualities you would look for in each.**

1. Primary School for your young ones
2. Restaurant
3. Cooking Oil
4. Computer training center for you
5. Beauty Parlor

#### Notes for the Facilitator

- You can add to or modify the above list depending on the trainees.
- It is important to emphasize to the trainees that (i) they are customers for—and not sellers of—these services, and (ii) the price charged is unimportant for this exercise.
- Ask them to be specific in what exactly they are looking for in the area of quality.

Go around the group and write down the qualities each group has come up with for each of the products or services.

Now, give the groups two minutes to rank the qualities—from the most important to the least important, for each product.

Go around the groups and ask for the most important quality for each product/service. On the board, place a check mark against each item ranked as number 1 by the groups.

#### **Q2: Who determines quality?**

(Cover this very briefly. Quite often, you will get answers like “manufacturer”, or “producer”, “standards bureau like ISI or FPO”. You may occasionally get someone saying, “Customer decides the quality” and that is your lucky day. Ask the person who gives such an answer to explain it to the class. Then move on to the next question.)

#### **Q3: Which has better quality—a Maruti Suzuki car or a Mercedes Benz car?**

(Cover this very briefly. Most of the time, if not all the time, you will get the answer “Mercedes Benz Car”. Now is the time to ask the next

question. Depending on the trainees, you can also substitute cars by some other product like “Luxor Ball Pen” and “Mont Blanc Pen, or two soap brands. Choose products most of the trainees are likely to identify with or have a general knowledge of.)

**Q4: What is the difference between Specification and Quality?**

(Here you can use the cars or pens as an example and ask, “What has the manufacturer specified in the product sheet or catalog?” Obviously what was specified for Mercedes was more exacting and luxurious than for Nano. But that does not mean that Nano has poorer quality compared to Mercedes. It only means it has “lower” or “less exacting” specifications compared to the other. In other words specifications can be compared across different products (of similar nature – cars, pens, dresses etc.) but quality has to be in comparison to a product’s own specifications.)

**Q.5: What are the essential steps for Quality Assurance?**

Ask the trainees this question and note their answers on the board. Then, add any points they didn’t cover, from the list below:

- Training, developing and creating a culture of Quality in the organization, no matter how small your organization is, right from the beginning. “Quality means doing it right when no one is looking,” said Henry Ford nearly 100 years ago, which is as true today as then.
- Critical evaluation and review of products and processes from time to time.
- Creating incentives for quality services or products. The incentive may simply be a recognition of the person who had the best quality record, or a cash reward and recognition.

**Q.6: How can Quality benefit?**

Ask the trainees this question and note their answers on the board. Then, add any points they didn’t cover, from the list below:

- Increase in market demand and eventually, profit.
- Reduction in wastage.
- Reduction in customer complaints.
- Creating a brand recognized for quality.
- As the customers become more quality conscious, think of quality as not a good thing to have, but as an essential factor. The survival of a business may depend solely on the quality of its products or services.

“Quality means doing it right when no one is looking.”  
–Henry Ford

## Activity

- Ensure all participants are seated in their respective teams and each team has finalized its Business Idea for the Biz Plan Competition.
- Give about five minutes to the teams and ask them to discuss and document: “What does quality mean in your business and how will you ensure that the quality is maintained? In other words, what are you promising your customers and how will you ensure that your organization keeps the promise all the time?” Explain to the teams that they should avoid generalities, like “I will train my people” and be more specific, like “I will train my people in how to handle an angry customer through training”.
- At the end of the five minutes, give each team 90 seconds to articulate their Quality Proposition and the method by which this will be done.
- While the spokesperson from a team is presenting, ask the others to listen and make notes (as if they are the customers). After the presentation, these customers will give their feedback and suggest improvements. This should be limited to about two minutes per team.
- Complete the round of presentation and feedback for all teams.

## Conclusion

Take two minutes to have the trainees ask any questions they may have? If none, just go over the quality ranking they gave to the different products or services that you noted on the black board.

### Reminder

Remind all the teams that they have to work on their quality proposition to make it solid, based on the feedback received on their first attempt.

## Optional Reading

### Web Link

- <http://www.slideshare.net/jscover/2007-aatb-presentation-j-cover-importance-of-quality>
- <http://bip.softwarejewel.com/featured/the-importance-of-quality-in-your-business-4443/>



IMAGE COURTESY OF STUART MILES / FREEDIGITALPHOTOS.NET



## 31. Business Structures

What I see in Nature is a magnificent structure that we can comprehend only very imperfectly, and that must fill a thinking person with a feeling of humility.

–Albert Einstein

### Learning Objectives

- ✓ Learn about the different legal structures under which businesses are categorized.
- ✓ Understand the requirements and the limitations of each legal structure under which a particular business is likely to fall.

### Session Plan

- If any of the participants have an advanced knowledge in commerce, or a degree, such as B.Com., you may identify them and invite them to assist you. However, do emphasize that:
  - This session is not to convert the group into legal experts in business structures but to give them a **basic and essential** understanding of the various forms of business structures.
  - Whereas an entrepreneur can easily set himself or herself up as a sole proprietor, if he or she wishes to go in for a bit more complex structure, they would have to consult an accountant or a corporate lawyer.
- We will not deal with forms and other detailed procedures in this course. If you have invited a lawyer or an accountant as a guest speaker, advise them to limit themselves to basics (which is often difficult for experts to do as they know so much about their subject). *If that is likely to be the case, just do the session yourself.* We have provided enough material for you to be able to teach this module. Again, you can have someone with commerce background from your class assist you, to give a variety to the class. BUT rehearse the lesson ahead of time with the person so that he/she sticks to the

module below and does not get into too much of details or theory. We have seen how people love to show their vast knowledge of the subject which is not needed for our trainees at this stage.

- Our limited purpose in this session is to make the participants aware of the different types of structures and the pros and cons of the most relevant structures.
- Our discussions will be limited to for-profit organizations and not non-profits or NGOs (i.e. Trust, Society, Section 25 Company etc.).

## Types of Business Entities

The type of business entity you choose depends on three primary factors: liability, taxation and administration (which includes record-keeping and regulatory filings). Here's a quick look at the most common forms of business entities:

A **sole proprietorship** is the most common form of business organization. It's easy to form and offers complete managerial control to the owner. However, the owner is also personally liable for all financial obligations of the business.

A **partnership** involves two or more people who agree to work together and share in the profits or losses of a business. It is also relatively easy to form. The challenge is in finding the right partner since, once a partnership agreement is set, it becomes difficult to get out of it without damaging the business. Like a sole proprietorship, each partner is personally liable for the financial obligations of the business.

A **corporation** is a legal entity that is created to conduct business. The corporation becomes an entity—separate from those who founded it—that handles the responsibilities of the organization. Like a person, the corporation can be taxed and can be held legally liable for its actions. The corporation can also make a profit. The key benefit of corporate status is the avoidance of personal liability. The primary disadvantage is the cost incurred to form a corporation and the extensive record-keeping and regulatory reporting required.

Corporations can be of two kinds—and we don't need to go into details because we are in the class to encourage entrepreneurship and not create company law experts!

- Private Limited Company
- Public Limited Company

There are other forms, less frequently used, and again we will only mention the names and no more. They are Limited Liability Partnership, Cooperatives, and Hindu Undivided Family etc.

**Let's talk in more details of the business structure relevant to most of our target group.**

**Question:** "What business structure do you think most small businesses start as?" Please write down your answer on a piece of paper.

The choices are:

- Sole Proprietorship
- Partnership
- Private Limited Company
- Public Limited Company

Ask those who wrote Sole Proprietorship or Partnership to stand up and lead applause for them. Here are the reasons:

**A Sole Proprietorship** is the easiest form to set up and most common entity in India. This does not even require a formal registration with the Registrar of Companies. However, the owner may be required to obtain a license specific to the line of business from the local administration, which could be the municipal authorities or state department.

#### Note to Facilitator

Collect information about what types of businesses require licensing and registration in your area/state etc. Some of the licenses could be:

- Under Shops and Establishment Act
- Certificate from the Health Department (restaurant etc.)
- Clearance from the Fire Department
- Liquor permit

(Local Chambers of Commerce, Dept. of Industry or any other local body would be good source. Their websites may have this information. Please research and have it ready. Once you have that information, please share it with the I Create Academy so we can put it on I Create Cloud Educator Circle.)

Sole Proprietorship businesses usually require less capital. It is the preferred type of entity among start-ups such as small retail businesses, restaurants, garment producers, beauty parlors, bakeries etc.

Relatively speaking, there is less compliance required of the owner and, as the sole owner, one can exercise complete authority and control over his or her business.

On the other hand, since the business owner and the business are one and the same legally, there is no protection for the personal assets of the proprietor. In case of payment defaults, creditors can make claims against the personal assets of the owner.

A **partnership** company is formed by an agreement between two or more people (up to a maximum of 20) to own and run the business. This arrangement enables enterprising individuals to pool their resources to establish and expand a business. Collectively, the individual partners become a company. This type of entity is an ideal setup for small scale companies which require pooling of capital and management expertise for running the business.

Like a sole proprietorship, partnerships also do not require compulsory registration with the Registrar of Companies. It is optional for partners to register the company and there are no penalties for non-registration.

Like the sole proprietorship company, the partnership company also does not have a separate identity. The partners and the company are considered one and the same. In the event the assets and property of the company are insufficient to meet the debts of the business, the creditors can recover their loans from the personal property of the individual partners.

The extent of the rights of each partner in running the business should be clearly stated in a signed agreement at the outset. The rights, liabilities and duties of the partners are clearly spelled out in the agreement. When the written agreement is duly stamped and registered, it is known as a "Partnership Deed". Generally, a partnership deed contains the following:

- Name of the company;
- Nature of the business to be carried out;
- Names of the partners;
- The town and the place where the business will be carried out;
- The amount of capital to be contributed by each partner;
- Loans and advances by partners and the interest payable on them;
- The amount of salary drawn by each partner;

- Responsibilities and authority of each partner;
- Terms and condition for partnership termination and/or exit by a partner; and
- Any other terms and conditions to run the business.

In real life, many partnerships fail because the partners fail to clearly define the terms of responsibilities, authority and the compensation. Often, partnerships are formed between friends and relatives, and they feel hesitant to talk about these terms.

It cannot be emphasized enough that if you are considering a partnership, make sure you have a detailed agreement on roles, responsibilities, authorities, salaries and exit strategy right at the beginning of the business. Have a written, signed and witnessed agreement even if the partnership is between the best of friends or even family members.

When doing an agreement, you don't need to have a lawyer to define the terms of authority, role, responsibility and salary. You can simply do it by discussing with your partner/s. However, go to a lawyer to make sure it meets the legal requirements to be a binding agreement.

## Concluding Questions

**Question to ask the students:** Often, no distinction is made by the entrepreneur between the business and himself/herself. What are the dangers in doing that?

### Facilitator Tip

This leads to the owner co-mingling the business money with his or her own money that often results in an inaccurate picture of finances and resultant chaos.

It is important, therefore, to firmly impress upon the entrepreneur that business started by him/her is separate and distinct from the individual. In other words, the business has to have its own identity and structure. At the grassroots level, avoid using jargon like "Business is a separate Legal Person".

**Important Question:** If you want to start a partnership business, when is the appropriate time for having a written agreement among partners and why?

Have a written, signed and witnessed agreement even if the partnership is between the best of friends or even family members.

**Tip:** The best time is at the very beginning, since the relationships between partners are the most cordial then and everyone is willing to give and take, in the interest of the business and partnership.

**Note to Facilitator**

We have left out two Corporate Structures—Private Limited and Public Limited Company—from our discussions. This is because a majority of our participants would be interested only in the two types we have discussed.

However, if someone asks you about the Private Limited or Public Limited structures, you should have some basic knowledge. You may add that for further details, one would have to discuss with an Accountant or a Lawyer.

For your understanding and knowledge only, we are providing the following write up.

.....  
**Private Limited Company**

The governing provisions for a Private Limited Company are contained in The Companies Act, 1956. A private limited company must be appropriately incorporated with the Registrar of Companies (ROC). India being a vast country with several provinces, ROCs are located across the states and Union Territories. A company incorporated in any state of India can do business all over India.

The minimum paid up capital at the time of incorporation of a Private Limited Company is Rs.100,000. It can be increased any time, by payment of additional stamp duty and registration fees. A Private Limited Company must have a minimum of two and a maximum of 50 members as its shareholders. It must have minimum of two and a maximum of 12 directors. Where the paid-up capital is equal to—or exceeds—Rs.50 million, a company secretary must be appointed. The shareholders and directors need not be locals.

The liabilities of the shareholders are limited to the shares subscribed by them. A Private Company is prohibited from inviting the public to subscribe for any shares or debentures of the company. It is also prohibited from inviting or accepting deposits from persons other than its members, directors or their relatives. The shares can be transferred only among its members and it involves some restrictions.

A Private Limited Company has a separate legal identity. It is perpetual. Although the liabilities of the shareholders are limited, at times, the liability of a Director/Manager can be unlimited. Under the Companies Act, several

regulatory exemptions are granted to a Private Limited Company, such as exemption from filing prospectus with the Registrar, exemption from obtaining Certificate for Commencement of business, exemption from holding statutory meeting and statutory report, etc. Similarly, the directors of a private limited company do not face restrictions like those of the Public Limited Company.

A Private Limited Company is easy to set up and there are relatively less compliance requirements than a Public Limited Company. However, there are some limitations such as restrictions on share transfer. Notably the limited liability clause is undermined by the bankers and financial institutions, which are increasingly resorting to personal guarantee from directors of Private Limited Companies. Nevertheless, it is an ideal vehicle where the shares of the company will be closely held and where there is no requirement for more capital to be raised through public issue.

### **Public Limited Company**

The regulatory provisions for this type of entity are contained in The Companies Act, 1956. A Public Limited Company must be registered with ROC.

A Public Limited Company is a Company limited by shares in which there is no restriction on the maximum number of shareholders, transfer of shares and acceptance of public deposits. The minimum paid-up capital for a Public Limited Company is Rs.500,000. A Public Limited Company must have a minimum of seven shareholders and a minimum of three to a maximum of 12 directors. Where the paid-up capital is equal to—or exceeds—Rs.50 million, a company secretary must be appointed.

The liability of each shareholder is limited to the extent of the unpaid amount of the shares' face value and the premium thereon in respect of the shares held by him. However, the liability of a Director / Manager of such a company can at times be unlimited. The shares of a company are freely transferable and that too without the prior consent of other shareholders or without subsequent notice to the company.

A company is a legally independent body; therefore it is perpetual, irrespective of death, retirement or insolvency of any of its shareholders. The shareholders do not have a right in managing the activities of the company. There is a clear separation of management and ownership and the company's Board of Directors are vested with the decision making power as per the rule of majority.

There are some strict compliance requirements for Public Limited Companies:

- It must have at least three Directors

- A prospectus or a statement in lieu of prospectus has to be filed with the Registrar of Companies before allotment of shares.
- It has to obtain a Certificate of Commencement of Business from the Registrar of Companies before it can commence business on incorporation.
- It has to hold a statutory meeting of members and file a Statutory Report with the Registrar of Companies.

It must be noted that the financial status of the company is public and requires public disclosure of its operational outcomes, hence there is no confidentiality. The regulatory regime is very strict for Public Limited Companies and the resultant compliance cost is also high. However, it is suitable for large scale businesses that require huge capital and allied resources. The ease of raising capital by issuing shares or through loans and ability to attract high quality talents to manage the company affairs, democratic management etc., make it an ideal format for large scale businesses.

.....

### Optional Reading

- <http://www.entrepreneur.com/article/38822>
- <http://www.esupportkpo.com/images/Learning%20Pages%20-%20Articles%20-%20Types%20of%20Business%20Structures%20in%20India.pdf>

## 32. Excellence in Execution

If you are going to achieve excellence in big things, you develop the habit in little matters.

–Colin Powell

### Learning Objective

- ✓ Understand SMART goal setting.
- ✓ Know and understand the fundamental principles of running a business successfully.

### Session Plan

This session is applicable to all four levels of AEW. Recommended time allocation is as follows:

Activity..... 28 minutes  
Conclusion..... 2 minute

### Activity #1:

- Ask the participants – “What do you understand by the word Goal?” You might get some vague definitions. Steer them towards giving you examples of goals – ask some of the participants and write down what they say on the board. After getting about seven to ten goals you can stop and start the discussion. Very often these goals are vague and not clearly defined.

#### Tip for the Facilitator

Observe if the examples given are really goals or just dreams – by checking against SMART criteria. (See the note below about GOAL setting and SMART goals. Impress upon the participants about the need for SMART goals.)

## Goal Setting

Setting your goals is important for achieving success. Before starting your enterprise, first make a business plan. Check whether your business plan is **S.M.A.R.T.**

**SPECIFIC:** The plan should be SPECIFIC and clear. Ensure that the entrepreneur is clear in his mind on the type of business that he wants to start or position he wants to achieve. An example could be – “I want to start my two wheeler repair workshop within two years of obtaining my diploma in the year 2xxx.”

**MEASURABLE:** The investment, profit and loss should be measurable. Explain through an example of a manufacturing and a service industry. An example could be – “I want to achieve Profit after Tax of Rs. Ten lakhs in the third year of my business”.

**ATTAINABLE:** The goal should be such that it is possible to attain it. In other words, there should not be constraints beyond one’s control – like laws of nature or the country etc. As an example – if one does not like cooking but has a goal of starting catering service, it will not be an attainable goal. On the other hand, if one likes teaching and is knowledgeable, the goal of starting a coaching class is attainable or achievable.

**REALISTIC:** One should keep in mind the place, country, time, investment, finance and human resources etc. and then decide whether the business or the goal is practical or not. Building castles in the air will only be a hindrance in achieving success. What is an attainable goal at times becomes unrealistic due to constraints beyond one’s control or laws of nature etc. If one has just started a mango orchard, then the goal of selling 10 tons of mangoes in the third year is not realistic – due to gestation period or “laws of nature”, over which one has no control.

**TIME BOUND:** When explaining this point, highlight that the completion of every task should be time bound. Exceeding the time limit will have an adverse effect on one’s business in the long run. Adherence to time limits and commitments will increase trustworthiness amongst one’s clientele. Also, if it is not time bound, one may never know whether the goal has been achieved. A statement like “I want to obtain my Ph.D.” is not a goal; it is a dream. However, “I want to receive my Ph.D. within three years of my post graduate degree” is a time bound goal.

## Activity #2

- Show the participants the following two equations and ask what the difference between the two is:

$$\textit{Revenue} - \textit{Expenditure} = \textit{Profit}$$

$$\textit{Profit} = \textit{Revenue} - \textit{Expenditure}$$

### Hint to the Facilitator

The first one is a passive way of looking at things. It may be termed as an accountant's view of the profit, where a reporting is being done. The second one is an entrepreneur's way of looking at things, where a profit goal is being set and he/she determines what revenue is to be generated and what expenses are affordable to achieve the desired profit goal.

## Activity #3

- Ask the participants to sit with the teams they have formed for the Business Plan preparation.
- Tell the teams to assume that they have already started their business (on the basis of the idea they have selected for the Biz Plan Competition).

Their task, as a team, is to identify and list various activities they will be doing on a day to day/regular basis to run the business successfully and achieve the goal. Ask them to remember the second equation. Give some examples of activities to make the point more clear – training workers, giving samples etc. *Please tell them that they are not to list activities for starting a business but for running it.*

- Give them seven minutes to come up with the list of activities.
- Meanwhile, you make four columns on the board, but don't give any heading for the columns. (You should know that the four columns are "Buy Low" "Sell High" "Take Care of Customer" and "Keep Good & Accurate Records").

- Ask one spokesperson from each team to state one activity. Place it in the appropriate column. It is possible that some activity can be listed under more than one column.
- Ask the other teams to tick the item if they have it in their list, thus avoiding duplication.
- Go from team to team and collect the activities and place them under the appropriate column on the board.
- You can stop after four or five rounds.
- You can seek help from your colleague to write, when you call out “Column No. x”.

At the end of the exercise, the board may resemble the following table:

| Column 1                                         | Column 2                     | Column 3                         | Column 4                  |
|--------------------------------------------------|------------------------------|----------------------------------|---------------------------|
| Regular Maintenance                              | Advertise                    | Get Customer feedback            | Verify Stock              |
| Search for alternative raw material suppliers    | Participate in exhibitions   | Check mail from Customers        | Maintain Inventory Record |
| Monitor Staff Attendance                         | Give Samples                 | Follow up                        | Maintain Personnel Record |
| Train the Staff                                  | Educate Customers            | Timely Delivery                  | Performance Review        |
| Abide by Government Regulations                  | Introduce New Products       | Attend to complaints             | Keep Customer Record      |
| Supervise Workers                                | Lookout for emerging markets | Send greeting cards to Customers | Write Cash Book           |
| Get feedback from Employees                      | Get Certification            |                                  | Review monthly accounts   |
| Review meeting- Planning for the day             | Timely Delivery              |                                  |                           |
| Provide regular health checkup for the employees | Visit Institutions           |                                  |                           |

| Column 1           | Column 2         | Column 3 | Column 4 |
|--------------------|------------------|----------|----------|
| Hire transport     | Inform Customers |          |          |
| Upgrade Technology | E Commerce       |          |          |
| Pay wages on time  | Contact Customer |          |          |

Now the discussions should be to get “appropriate headings” from the participants for the various columns.

- Ask what is common in the activities of column 1, what happens as a result of these or what are the “intended consequences” of these? You will get answers like – increased productivity, improved employee morale, lower wastage etc.
- Again ask “so what happens” and steer them towards “it reduces cost”. Then you can say – yes and we refer to it as the “Buy Low” principle.
- You can then similarly move to the other three by turn and establish “Sell High”, “Take Care of Customer” and “Keep True and Accurate Records”.

While explaining the four principles, keep the following points in mind so the principles are not interpreted narrowly.

---

### Four Principles of Running a Business Successfully

#### Buy Low

- Control Cost of Procurement or Production
- Innovate to reduce cost
- Improve Continuously
- Find alternative sources
- Provide good training to reduce waste
- Use machines that provide higher productivity machines

To run a business successfully:

- \* Buy low
- \* Sell high
- \* Satisfy customer needs
- \* Keep accurate records

**Sell High**

- Sales revenue is equal to Quantity (volume) multiplied by Unit Price.
- Sell high does not necessarily mean selling at a higher unit price. It refers to selling larger quantities. In other words, it refers to increasing one's sales revenue and thus, increasing the total gross margin.
- At times, to increase sales volume (quantity of items sold) you may reduce unit price, but ensure that the total gross margin does not go down. Let us take an example.

The Unit Price of a product you are selling is Rs.10. The variable cost is Rs.5 per unit and hence Gross Profit is Rs.5 per unit sold. At this price you are able to sell 1,000 pieces per day. The total sales revenue would be Rs.10,000 a day and gross profit would be Rs.5,000.

The following table shows quantity sold at different prices and its impact.

|                          | A      | B      | C      |
|--------------------------|--------|--------|--------|
| Quantity Sold per day    | 1,000  | 1,300  | 1,500  |
| Unit Price (Rs)          | 10     | 9      | 8      |
| Unit Variable Cost (Rs)  | 5      | 5      | 5      |
| Gross Profit/Unit (Rs)   | 5      | 4      | 3      |
| Total Sales Revenue (Rs) | 10,000 | 11,700 | 12,000 |
| Total Gross Profit (Rs)  | 5,000  | 5,200  | 4,500  |

From the above table we can conclude that higher quantity or higher unit price does not necessarily give higher total gross profit. Our efforts should be for higher total gross profit—that is the Sell High principle

**Satisfy Customer Needs**

- Provide Value
- Meet your commitment
- Provide Quality
- On time Delivery

- Honor your contract with the customer
- Lose an order (if necessary) but not your customer.

#### **Keep True and Accurate Records**

- Keep accurate records of cash, inventory, sales, returns etc. As soon as the business can afford a computer, keep records on the computer. Often, all you need is an Excel worksheet to keep your records.

Do make sure you keep a backup copy of the computer record on a memory stick.

- Keep customer records, i.e. sales by product or service type to be able to assess the trends.
- Get the “true” picture and don’t fudge your accounts; you may get deluded in believing the “lie”.
- Help measure performance by score keeping.
- Remember to keep all the record keeping simple so you can continue to maintain the records in a sustained manner and find them easy to understand and analyze.

---

## **Conclusion**

- ✓ Every business has to have its goal – expressed in a SMART way. Based on the specifics of the goal – Profit volume, Sales Volume, Market Share etc. one draws up a plan of action and, while implementing it, undertakes many activities which collectively should lead to the achievement of the goal.
- ✓ While undertaking the various activities, which invariably involve costs (most of the time) or efforts in some cases (like greeting a customer with smile), one should question the impact of the activity and ensure that it falls under one or more of the four principles highlighted earlier that will help one achieve excellence and thus, success.
- ✓ It is important to remember that the principles apply to all businesses irrespective of size. The only thing that could be different is the nature and number of activities.



## 33. Inexpensive Ways of Promotion

Promotion is not always about just spending money on such items as advertising, discounting sale etc.; it is about creativity in making your promotion rupee and efforts do better.

### Learning Objective

- ✓ Understand what promotion is and why we need to do it.
- ✓ Learn about various inexpensive ways to promote your product or service.
- ✓ Develop an Inexpensive Promotion Strategy for your product/service (as a part of your Biz Plan).

### Session Plan

This session is applicable to all four levels of AEW and CMS.

### **Important Notes for the Facilitator**

1. The opening part of this lesson is to make sure that all understand what is meant by promotion. Those without marketing or business background may have heard the word “promotion” only as a promotion at a job or a raise in salary.
2. More than other I Create sessions, this one is highly prop-dependent. Bring samples of good packaging and bad, good brochure and bad, good business card and bad. Have the participants identify the good ones and the bad ones and what specific characteristics make one good and the other bad.
3. Once you have explained each of the points, encourage the participants to come up with examples and stories in each case.
4. When explaining an item, there is nothing better than an example of a story you have *personally* experienced—whether a promotion or tag line you liked and why, or ones that you didn’t. You may not have stories for all the points to start with; just keep observing real life and build your inventory of stories and examples for this module.

## **Discussion**

- Ask the participants what they understand by “Promotion”. As the session on the 7 P’s of Marketing would have been done before this, you are likely to get quick answers like “Promotion is advertising”, “Promotion is sampling”, “Promotion is offer schemes like 25% off, or buy one get one free” etc. The next question should be: “Why is promotion needed?” Answers you are likely to get may range from “making customers remember our product”, to “entice customer with savings”, or “educate customer about our product, price etc”.

Show appreciation of those who come up with good answers and tell them they are all valid and we will expound on them as we go along.

- Next question: “Has anybody learnt classical music?” “What is the first thing you are taught in classical music?”

Usually, the response will be: “The seven notes—Sa Re Ga Ma Pa Dha Ni”.

- Ask “What do these notes produce?” and you should get an answer like “melodious music”. You should ask and prod to get these answers.
- Make the entire group sing “Sa Re Ga.....” in chorus.
- Then pause and ask, “What is music to the ears of an entrepreneur?” and you would get answers like “sales”, “cash in the till” etc.
- You can now tell the participants, “We will make use of the same seven notes of music and apply it to understand the inexpensive ways of promotion.”

### Activity

- We need seven teams. If the number of teams created on the first day are seven, then use those teams. Otherwise, reorganize the participants to make seven teams for this activity.
- Allocate one of the seven musical notes – Sa Re ..... – to each team.
- Explain that each musical note stands for a Hindi word (except Packaging, which is now an accepted word in Indian languages) as follows:

SA-..... SAHITYA.....-DOCUMENTS  
RE-..... RASA.....-STORIES  
GA-..... GRAHAK .....-CUSTOMER  
MA- ..... MAADHYAM.....-MEDIA  
PA- ..... PACKAGING .....-PACKAGING  
DHA-..... DHAMAKA .....-ENTHUSIASM  
NI- ..... NIYAM .....-DISCIPLINE



IMAGE COURTESY OF JNEWLAND / FLICKR.COM

**Special note for non-Hindi classes**

Where Hindi is not understood and Sa Re Ga .... is alien but people are comfortable with Do Re Mi Fa So La Ti, then the following is useful:

DO- ..... -DOCUMENTS  
RE- ..... -REGULATION/BUSINESSDISCIPLINE  
MI- ..... -MEDIA  
FA- ..... -FUN & FROLICK  
SO- ..... -STORIES  
LA- ..... -LOYALCUSTOMER  
TI- ..... -TOTALPACKAGING

- Now, ask each team to think of different inexpensive ways in which to promote their product or service (but with the condition that the action has to somehow be related to one of the words or notes given above).

It is important to emphasize that a micro or small start-up business would have a limited budget for promotion and thus finding creative ways to use it is very important. Fortunately, there are ways to do it.

- Give some examples to make the point. For example:
  1. Preparing a brochure will fall under Sa (Sahitya or Document).
  2. Telling a story about the product—the origin, the endorsement of an important customer – Re (Rasa or Story).
  3. Remembering a customer’s birthday or offering personalized service to a customer – Ga (Grahak or Customer).
  4. Newspaper reporting about your healthy product – Ma (Maadhyam or Medium).
  5. Attractive Packaging – Pa (Packaging or Total Package).
  6. Treating your customer with warmth and enthusiasm, having special fun events on such occasions as Diwali etc. – Dh (Dhamaka, Enthusiasm or Fun & Frolic).
  7. Meeting Delivery Commitments – Ni (Niyam or Regulations or Business Discipline).

- Urge the teams to think outside the box and come up with many more actions that can be taken to promote the business (emphasize “inexpensive way”) and can be linked to the musical note assigned to the team. Give 10 minutes for this activity.
- Make seven columns on the board – each with one musical note as its heading. You can write the column heading.
- Ask each team to make a presentation about the inexpensive ways that they have thought of. List these points in the appropriate column. Ask for comments from other participants on the suggested points. Add to these, if more come up during discussions. (Total two minutes for each team).
- In about 15 minutes of this reporting and feedback, you would get quite a few inexpensive ideas of promotion.

You may get a board that looks something like this:

As they come up with items, such as brochure or packaging, show them samples you have brought and have a quick discussion on the aspects of the item that are good and those not good.

| Sa             | Re                      | Ga                 | Ma                     | Pa                          | Dh                                | Ni                      |
|----------------|-------------------------|--------------------|------------------------|-----------------------------|-----------------------------------|-------------------------|
| Document       | Stories                 | Grahak             | Media                  | Packaging                   | Dhamaka                           | Niyam                   |
| Do             | So                      | La                 | Mi                     | Ti                          | Fa                                | Re                      |
| Visiting Cards | Origin of Recipe        | Greeting Customers | Sponsor a Sports event | Attractive colors           | Diwali Sale                       | Deliver on time         |
| Brochure       | Unusual usage           | Loyalty Program    | Tree planting          | Durable                     | Promo Offer                       | Shop opening time       |
| Banner         | Visit by Dignitary      | Anniversary Wishes | Health camp            | Print Website, Phone Number | Colorful and pleasant environment | Good inventory planning |
| Pamphlet       | Historical Significance | Special Occasion   | Student Scholarship    | Expiry date                 | Warmly welcome the customer       | Accurate weight & Count |
| Website        | Connection to Mythology | Referral Bonus     | Writing Articles       | Ingredients                 |                                   |                         |
| Logo           | Personal story          |                    | Press release          | Certification info          |                                   | Fair Price              |
| Tagline        |                         |                    |                        |                             |                                   |                         |



8. Make promotional items like T-shirts, caps and shopping bags with your business name on it. Give it to your friends and family, so they can be your walking advertisement.

All your documents must have the following information:

- Business name, logo and tagline.
- Your own name and title (such as 'Manager Director' or 'President')
- Description of the product of service
- Address
- Phone number
- E-mail address
- Fax (if available,)
- Website address (if available)

**Re: Rasa (Stories)**

If you are producing '*Achaar*' (pickles) and you use your great grandmother's recipe that is a great story to put on the label. Something like, 'A recipe that has been a delight for over a hundred years'.

A visitor was at a handcraft store in Jaipur and was intrigued by the picture of an elephant, a camel and a horse all on one canvas. She was not sure whether to buy it or not. The shopkeeper added: 'According to Rajasthan culture, the elephant stands for love and remembrance, the camel represents perseverance in face of hard times, and the horse represents strength.' She loved the story and bought the picture immediately.

So, if you have a story around your product, make sure you use it. People often buy a product for the mystique that goes with it.

\*Ask the participants if they can think of stories with products\*

**GA: Grahak (Customers)**

Customers who come back to your store are the most important. We call them repeat customers. It is ten times more difficult to find new customers than it is to retain an existing one. A repeat customer is a good, live source of publicity for you.

How to keep your clients:

- Lose an order, not a customer. (This is an important statement. Ask for a simple example of this or please tell them one. One example: if a customer is asking for an unrealistic delivery date for an order, politely regret the order, since once you accept a delivery date, you want to make sure you deliver on time to keep your customer happy.)
- Try to remember the names of your customers, so when you see them, you can greet them with their names. Remember the sweetest word for any one is one's own name!
- To deal with an irate customer, stay very patient and listen to him/her.
- Ask for feedback and implement it.
- Respond to people and situations.
- Keep a list of your customers and remember them on special occasions such as birthdays, New Year etc.
- Remember that 20% of your customers bring 80% of your business.
- Exceed their expectations.

It is ten times more difficult to find new customers than it is to retain an existing one.

\*Ask the participants if they know inexpensive ways of keeping in touch with their customers.\*

#### **MA: Media**

Tell the participants, "It will be difficult to engage celebrities as a model to advertise your products (as of today, but maybe you could try it in the future!)". Then, ask them "So, how are you going to publicize your product or service on a low budget?"

Tell them that Press releases are one of the best ways to begin promoting your product/service. In fact, correspondents are required to produce a number of newsworthy stories if they want to keep their jobs. Of course, they will not publicize a commercial venture just because you want to. However, if there is an angle in your business that has some social, community or human interest, or an unusual twist, they would be happy to do a story and you get free publicity.

For example: I would like to draw the attention to the story of Kulsum Malik. She has a very successful business called 'Kayakalp' in Jaipur, as well as in many other parts of India. The uniqueness of her business is that she employs deaf

and mute girls because her father was born deaf and mute. That is a great story for the press to write about, at no cost to you.

Ask the participants if they know other business stories.

There are many different types of media, but these are the most important ones:

- Print: Newspapers, magazines and newsletters.
- Television: Commercial TV rates are expensive, but local cable stations are affordable.
- Radio: You can find radio stations that are willing to mention a young entrepreneur.
- The Internet: You can get a website of your own; this will give you the most publicity. Also, you can have a banner (small ad on the top/bottom of a webpage) on a different website, in exchange for a banner of their business on your website.

**PA: Packaging**

Reasons for providing good packaging to your product:

- Packaging makes a product visually more presentable; it transforms the product in terms of its visual appeal. Give the example of high end perfume bottles—how marketers are able to generate customer preference simply by attractive packaging.
- Packaging communicates to the customer in many ways; it displays the product and also instructs about the different ways of using it, whether it can be consumed by children, method of using, the ingredients it contains, expiry date and other certifications. But make sure you don't clutter the layout with too much text. (If possible, show examples of bad and good ones.)
- The package protects the product against damage or deterioration and makes it more durable. It withstands shocks during transport and shipping.
- Packaging should be easy to open and use; it should be tamper proof.

\*Example: One successful businesswoman, who has a specially blended spice-business, also includes a recipe inside the package. This is a very innovative and clever way to market ordinary spices\*

**DHA: Dhamaka (Excitement or Enthusiasm)**

As a businessperson, it does not cost anything to be enthusiastic about your product and how you handle your customers. It should not matter if your customer buys goods worth Re.1, or Rs.1,000. A smile on your face, a clean outfit and a well-turned out appearance does not cost much, but it tells customers that you really welcome them.

Greet your customers in the same way that you prepare to welcome a guest by cleaning your house, wearing good clothes and greeting them with a warm smile and a lot of enthusiasm. The cost of all this is negligible compared to the benefits.

We all have problems at home, sometimes an illness. But if you are with a customer, even if you are feeling down and not very enthusiastic inside, you must fake your enthusiasm!

\*Ask the participants if they know ways to show their customers they are enthusiastic about their business?\*

**NI: Niyam (Discipline)**

The most important aspects of discipline are:

**1. Always mean what you say:**

Be on time and never be late when you meet a customer. You should arrive five minutes early. Always open your shop at the times you said you are open, not even a single minute later.

Don't be forced to accept delivery dates of an order you just can't keep. When you say that the order will be ready, say, by Sunday 5PM, ensure you have it ready with you half an hour before, not 5 minutes late.

**2. Have a good inventory planning system:**

This way you can never run short of any item. However, when you do run short on a product or a certain packaging, make sure you let the customer know in advance and get his/her permission to use a different type of packaging, or give a discount unless he/she is willing to wait.

**3. Never misrepresent:**

For example, if you run a Beauty Parlor, if you are using a hair color that will last only three weeks, don't say, "Oh, you don't have to worry for four weeks.' You can always ask for a higher price when your quality, service or packaging is superior.

Often your customers are not going to pay a higher price for your product even if you say the quality is better, because they will compare your product with a similar one of cheaper quality elsewhere. We suggest that you also keep a few of the cheaper products and offer to sell those products at the same price as your competition. However, offer a higher-priced, higher-quality alternative as well, and point out the poor quality of the cheaper products to the customer.

---

## Optional Reading

### Web links

- Cheap and Effective ways to Promote your Business:  
<http://leatherspinsters.com/cheapandeffective.html>
- Inexpensive and free Marketing Ideas:  
<http://sbinfocanada.about.com/u/ua/marketing/marketingideas.htm>
- <http://www.entrepreneur.com/article/70822>

No matter what your product is, you are ultimately in the education business. Your customers need to be constantly educated about the many advantages of doing business with you, trained to use your products more effectively, and taught how to make never-ending improvement in their lives.

*Robert G Allen*  
*-Products-Knowledge-Marketing*



*"I am happy that I Create is offering a critical complementary piece to young men and women: training in entrepreneurship skills needed to be successful in their businesses..."*

*My best wishes to I Create for success in the mission of creating millions of job creators in our country during the next decade."*

**Dr. A P J Abdul Kalam**  
Former President of India

*"This has been an eye opener in how this method of teaching MUST be introduced in to regular teaching institutions. The pace never flags!"*

**Belinda Collaco**  
Editor of Target Goa  
(A TOT participant)

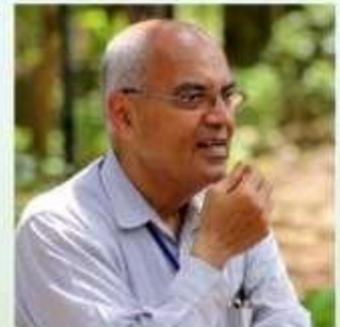
*"Your training was simple, interactive and comprehensive."*

**Benson Many**  
Ministry of Agriculture, Government of Kenya  
(A TOT participant)



**Harsh Bhargava, Founder and President of I create, Inc.,** an MBA from Harvard Business School, is the President of Bankworld Inc. (a leading international management consulting company) having engaged in economic development projects in over 70 countries including in India. Harsh set up businesses in over 60 countries and was awarded the US President's "E" Award for Excellence International Business Development. He is the past president of Rotary International, in New Jersey and has been written about in many newspapers and magazines. He has designed and written entrepreneurship-training manuals. He has taught management subjects at Indian and US universities including Lehigh University's Global Institute and spoken at various educational institutions such as Wharton University etc.

**Ulhas Kamat, CEO, I Create India,** has been leading the strategic growth of I Create in India and abroad. He has brought innovative approaches to make I Create programs available to tens of thousands. One such initiative is our Cloud Campus, where any interested student can participate and learn about Entrepreneurship. Ulhas has been appointed as a Member of the Committee of Courses in Entrepreneurship by the Central Board of Secondary Education. He has been associated with many blue-chip companies across the globe. He was associated with the Minority Business Development Agency of the U.S. Government. He is a graduate of IIT Bombay and has undergone specialized training in Small Business Development at the Tuck School of Business, University of Dartmouth.



**Dr. Aruna Bhargava, Executive Director, I Create, Inc.,** is a published Author with nearly 30 years of development experience. In order to provide entrepreneurial role models to I Create's aspiring entrepreneurs in an innovative manner, and provide a learning and motivational tool, she interviewed dozens of Indian entrepreneurs who started from scratch and became successful entrepreneurs. The result was the much acclaimed book, *Everyday Entrepreneurs: The harbingers of prosperity and creators of jobs*. The 5th revised edition of this book is now out. The book and parts of it are available in several Indian and European languages. She is also the editor of I Create's inspirational book *Creating Job Creators: 101 Representative Success Stories of I Create Entrepreneurs*.

I Create India  
Bangalore, India  
Phone: +91 08 2340 9990  
E-mail: [icreateindia@gmail.com](mailto:icreateindia@gmail.com)

I Create, Inc.  
Global HQ, Washington, D.C. USA  
Phone: +1 703 448 1976  
E-mail: [icreateinc@gmail.com](mailto:icreateinc@gmail.com)



I Create, Inc.

Empowering through Integrated Entrepreneurship Training



Goa Commerce Association



I Create, Inc. and Network For Teaching Entrepreneurship (New York)

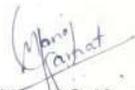
Recognize

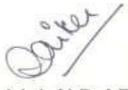


As  
Having Successfully Completed  
Change The MindSet (CMS) program in **Entrepreneurship Development**  
Organised by **Carmel College of Arts, Science & Commerce for Women, Nuvem**  
& **I Create Goa (GCCCI)**

held from 2nd to 5th November, 2016 at Carmel College , Nuvem

Dr. (Sr.) M. Aradhana A. C.  
Principal  
Carmel College, Nuvem

  
Dr Manoj S. Kamat  
President  
Goa Commerce Association

  
Mangurish N Pai Raiker  
President  
Goa Chamber of Commerce & Industry



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

### **MEMORANDUM OF UNDERSTANDING (MOU)**

Between

I Create India, Goa Chamber Of Commerce & Industry, Goa  
Commerce Association and Carmel College for Women, Nuvem-  
Goa

#### **1. Purpose**

The purpose of this Memorandum of Understanding (MOU) between I Create India (ICI), Goa Chamber of Commerce & Industry (GCCCI), Goa Commerce Association (GCA) and Carmel College for Women (Carmel College), Nuvem-Goa to inculcate a spirit of entrepreneurship among students and their catchment area to foster cooperation and partnership with small organizations, self help groups, women groups and small budding entrepreneurs thus helping the growth of entrepreneurship through training, mentoring and linkages in the State of Goa.

#### **2. Background**

##### **I CREATE**

- I Create India (I Create or IC) is a Non-Profit organization registered as a Trust with its Registered Office at 36/3, Sumeru Apartments, F-6, 4th Main, Vijaynagar Stage II, Bangalore 560104 and is affiliated to I Create, Inc. a Non Profit corporation incorporated in the State of Delaware, U.S.A.
- I Create is an award winning non-profit entrepreneurship & employability skills training organization and has technical partnership with New York based Network for Teaching Entrepreneurship (NFTE), a highly reputable international entrepreneurship training organization. I Create has been in existence for the last over 12 years and has centers in different parts of India (Kolkata, Jaipur, Baroda, Hubli, Bangalore, Mumbai, Rajkot, Delhi, Goa etc).



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

- I Create's mission has two parts: (i) economic empowerment of disadvantaged members of the society through entrepreneurial education, access to capital and mentoring, (ii) provide employability skills to poor communities.
- I Create has developed relevant resource material for imparting the training and has devised various techniques for effective training.
- I Create continues to develop and implement new and varied programs in furtherance of its mission and vision and impart international best practices tailored for Indian needs.

### GCCI

- Goa Chamber of Commerce & Industry (GCCI) is Goa's premier non-profit business, support-services and networking organization. It represents and liaises with SME's, Corporate Organizations and Government bodies.
- Its offices are conveniently situated in the heart of Panaji, Goa's Capital and also in the largest Industrial estate at Verna.
- GCCI's vision is that of a sustainable Goa - a Goa where the economy is strong and sustainable. Its mission, therefore, is to put a thrust on programs and activities so as to act as a catalyst in developing the economy, trade, industry, commerce and the socio-economic conditions of Goa and the nation as a whole.
- To further the cause of improving the socio economic condition of the marginalized members of society in Goa, GCCI has identified entrepreneurship (as compared to seeking employment) as the focus area for intervention. For this purpose explores opportunities to form strategic alliance with organizations whose core competency is entrepreneurship development and training.
- As a part of this strategy, GCCI has already formed a Strategic Alliance and executed an MOU with I Create India and has started an I Create center known as I Create Goa.

### GCA

- Goa Commerce Association (GCA) is a cohesive group of commerce teachers, researchers and professionals practicing commerce in the state of Goa with multifarious objectives to serve as a



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

forum for the exchange of ideas, experiences; collection and dissemination of information on business, trade, commerce and management.

- GCA's vision is to promote research activities and to bring coordination in the Commerce and Management curriculum at the State level. The core activities of the GCA include organization of seminars, conferences, workshops, and meetings; promotion of research; providing technical assistance and consultancy to the clientele world and publication of books, journals and periodicals, etc.
- The endeavor of GCA is to provide basic analytical tool-kit for management so that scientific approaches may be used to implement commercial and managerial applications in Industry thus enable it enhance ability of practitioners for taking decisions in uncertainty by analysing kaleidoscopic aspects of the objects and problems.
- GCA believes that the State of Goa can grow entrepreneurship if values, structures and activities for entrepreneurship are widely accepted, appreciated and supported. It further believes that the regional promotion of entrepreneurial spirit and competence within education is a grass-root approach to promote the entrepreneurial learning of individuals, social settings and organizations.
- As part of their professional and extension activity GCA partners with GCCI and I Create India to serve as a forum to provide free techno-managerial assistance and consultancy with the help of expertise available within to promote entrepreneurship, entrepreneurship research and support the process of business creation.

### **Carmel Coliege for Women, Nuvem-Goa**

- Carmel College for Women, Nuvem-Goa is a Christian college, established in 1964 to fulfil the long felt need for an institute for higher learning for women in Goa on the site generously donated by Mrs. Thelma Da Costa Lourenco of Margao.
- Carmel College is a multi-faculty college offering quality education in Arts, Science, and Commerce and permanently affiliated to Goa University. It is managed by the Sisters of the Congregation of the Apostolic Carmel, a Roman Catholic Congregation, and is an excellent place for study and reflection.



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

Carmel College has made giant strides towards offering an all-round education to the budding young girls of the state, particularly of the village of Nuvem and wishes to evolve democratic and equitable mechanisms to ensure holistic improvement in Institutional capacities and functioning. The Institution is also committed to ensure end user satisfaction and benefit equity with grass root level stake holders.

### 3. Common Understanding

1. In furtherance of its aims and objectives and for the purpose of being able to provide access to training in Entrepreneurship Development to youth and Self Help Groups, through extension work in different parts of Goa, GCA and Carmel College wish to form a tie up with I Create Goa and I Create Goa is willing to enter in to such an arrangement.
2. GCA and Carmel College are interested in conducting the Change the Mind Set (CMS) program of I Create for the selected students of Carmel College.
3. GCA and Carmel College would together propose, plan, organize and coordinate the Business Plan Competitions at college / regional level, and take part in I Create's State & National Youth Business Plan Competition (NBPC) under the overall guidance of I Create India through I Create Goa Center of (GCCCI).
4. GCA, GCCCI and Carmel College would foster and promote entrepreneurship education in their respective locale to promote self-employment and entrepreneurship, more importantly try to develop positive attitudes and skills such as creativity and flexibility in younger people which will enable them cope up with the uncertainties in the labour market.
5. Launch appropriate strategies for entrepreneurship education, with clear objectives covering all stages of education. Such strategies should call for the active involvement of all relevant actors (public and private), and establish a general framework while defining concrete actions. The overall goal will be to ensure that young people can progress coherently in acquiring entrepreneurial competences across all stages of the education system.



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

### 4. Roles and Responsibilities

#### I CREATE

- a) I Create will continue to carry on its role and discharge its responsibilities as listed in the MOU between I Create and GCCI.
- b) I Create will conduct, in coordination with GCCI, Training of Trainers and Refresher Courses for the Master Trainers of the participating colleges and members of GCA.
- c) I Create will provide guidance and assistance to GCA and Carmel College, through I Create Goa (GCCI) in CMS program implementation and NBPC participation.
- d) Create / Lend content, allow use of its pedagogical tools and resources and be a part of the I Create Master trainer's network.

#### GCCI

- a) GCCI will coordinate with I Create the various training programs (TOT, Refresher Course) for the identified staff and other members.
- b) GCCI plans to have a TOT and Refresher conducted at least once a year.
- c) GCCI will also coordinate with GCA and Carmel College for smooth implementation of CMS program and NBPC participation.
- d) GCCI will develop (in consultation with I Create India) reporting requirements and frequency from GCA and Carmel College and ensure its compliance.
- e) GCCI and GCA will coordinate the Regional or State Level Business Plan Competition as per the guidelines from I Create India. This is part of CMS and NBPC Program.
- f) GCCI will provide GCA and Carmel College access to the pool of Master Trainers it has created.

#### GCA

- a) GCA will coordinate with various colleges interested in becoming a part of this effort of CMS and NBPC.



## I Create India

[www.icreateincorporated.org](http://www.icreateincorporated.org)

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

- b) GCA and GCCI will coordinate the Regional or State Level Business Plan Competition as per the guidelines from I Create India. This is part of CMS and NBPC Program.
- c) GCA will maintain close coordination with GCCI and Carmel College to ensure smooth implementation of the program.
- d) Ensure tactical, administrative and manpower support for entrepreneurship training and programs conducted by GCCI and I Create in Goa.
- e) GCA along with GCCI will evaluate the quality, results and the impact of the various entrepreneurship training and development programs conducted within the ambit of this MoU.

### Carmel College

- a) It will implement the CMS and NBPC program as per the guidelines issued by I Create.
- b) It will make good use of the I Create training (TOT and Refresher) by deputing capable and interested staff to participate.
- c) Selection of appropriate and suitable candidates for the CMS program.
- d) It will ensure that whenever resource material supplied by I Create is used, due acknowledgement is given to the source of the material.
- e) Ensure proper implementation of the program - Pre & Post Test, Conducting the CMS program as per guidelines, college level competitions, state level competitions etc.
- f) The college will endeavor to conduct at least one (1) CMS program and at least 1 outreach program.
- g) Ensure compliance with stipulated reporting to GCA and GCCI.
- h) Conduct all programs within the ambit of the MoU in strategic partnership with I Create, GCCI and GCA by ensuring that their respective logos are featured on the banners, certificates and the promotional material.



## I Create India

www.icreateincorporated.org

Celebrating 11th Year of Integrated Grassroots Entrepreneurship Training & Creation of 1300 Entrepreneurs

### 5. Expenses

1. All expenses necessary for conducting the CMS program in Carmel College - training material, honorarium for resource persons, conducting college level business plan competition etc will be undertaken by Carmel College.
2. Expenses connected with State level competition will be borne by GCCI.
3. I Create will take care of NBPC expenses - e.g. travel and stay to the NBPC location (as per the rules).
4. There is no fee or charges payable to I Create. However, GCCI agrees to reimburse I Create all reasonable out-of pocket expenses (like travel, stay etc) only for programs requested by GCCI.
5. An estimate of out-of pocket expenses will be provided by I Create to GCCI and concurrence obtained, prior to expending the money.
6. The GCA will provide its tactical, administrative and manpower support to the activities conducted within the ambit of this MoU without any financial liability to the colleges implementing the programs.

### 6. Validity

The validity of this MOU is for the period of three years after which it will be renewed automatically unless terminated at any time with one month notice by either party.

This Memorandum of Understanding between I Create India, GCCI, GCA and Carmel College College is entered in to on the 14<sup>th</sup> day of July, 2012.

For  
I Create

Ulhas Kamat  
CEO

For  
GCCI

Mangurish N Pal Raiker  
PRESIDENT

For  
GCA

Dr Manoj Kamat  
PRESIDENT

For  
Carmel College

Dr. Sr. M. Aradhana A.C  
PRINCIPAL

**CHANGE YOUR MINDSET (CMS) ATTENDANCE SHEET 2016-17**

| Sr No | Name                | 2/11/2016 | 3/11/2016 | 4/11/2016 | 5/11/2016 |
|-------|---------------------|-----------|-----------|-----------|-----------|
| 1     | Masisha Shekhawat   | P         | P         | P         | P         |
| 2     | G. Natasha          | P         | P         | P         | P         |
| 3     | Rasika Negi         | P         | P         | P         | P         |
| 4     | Sai Parab           | P         | P         | P         | P         |
| 5     | Leontia Mascarenhas | P         | P         | P         | P         |
| 6     | Anaswella Fernandes | P         | P         | P         | P         |
| 7     | Seema Marakala      | P         | P         | P         | P         |
| 8     | Pooja Naik          | P         | P         | P         | P         |
| 9     | Jovira Fernandes    | P         | P         | P         | P         |
| 10    | Sabrina Gonsalves   | P         | P         | P         | P         |

*[Handwritten Signature]*

**Officiating Principal**  
**Carmel College of Arts, Science &**  
**Commerce for Women**  
**Navem - Goa.**

## Young Entrepreneurs Fair 2016

**Date: 16<sup>th</sup> December 2016**

The annual event organized by the Department of Commerce, the Young Entrepreneurs Fair (YEF) was held on 16<sup>th</sup> December 2016. The YEF is inspired by the entrepreneurial training programme of I Crete Inc, New York. The objective of the fair is to concretize the knowledge gained by the commerce students in general and the participants of the Change the Mind Set (CMS) entrepreneurial training program in particular. The fair also aims to provide students with experiential learning of real life, real time, and market and business conditions as a method of curriculum enrichment. It is also poised to spread entrepreneurship awareness to the entire student community of the college and their families and indirectly to the public at large.

Ms Jennifer Miranda was invited as a chief guest for the fair who is an entrepreneur herself and is also the founder of an NGO called AMI GOENKAR that provides assistance to interested entrepreneurs to help set up and run their own business.

Ms. Jennifer Miranda visited the stalls put up by the young student entrepreneurs. She was appreciative of the idea, efforts and the skills of the students and provided some tips to each group to help them improve the product, product marketability, and information on parties and buyers who will be interested in the products sold by the students.

The young student entrepreneurs set up 11 stalls and operated under different vendor names such as Dazzlers, Stylo, X'mas Trimmings, Christmasy Bites, Crystalline, Street Food, The Goan Taste, Dreamy Designs, Eve's Designs, Lucky Charms and Heart Catchers.

Items displayed and sold during this fair included: Bottle deco, paper deco, handmade bracelets, flowers of foam material, cloth pouches, jackets, Gift boxes, bookmarks, lanterns, stars, X'mas sweets like potato pudding, dodol, bibinca, kulkul, bolinas, traditional and novel pickles like prawn mole, brinjal etc.

The success of the fair was proved by the sales, the crowd and the positive feedback by the customers.

The popularity of the business ideas was again proved by the fact that the student entrepreneurs also received further orders from delighted customers. They executed these orders till December which was the time limit of the execution of the orders.

Students acquired business skills of organizing an exhibition cum sale, analytical skills for consumer behavior and market study, product visualization, branding, order taking, billing, execution of orders, business ethics and an understanding the importance of quality and customer feedback in business.

  
Officiating Principal  
Carmel College of Arts, Science &  
Commerce for Women  
Nuvem - Goa.

**Attendance for Young Entrepreneurs Fair 2016-2017**

| SR No. | Name of Student      | Date : 16th December 2016 |
|--------|----------------------|---------------------------|
| 1      | Abba Antao           | P                         |
| 2      | Adisha Albuquerque   | P                         |
| 3      | Alaska Gomes         | P                         |
| 4      | Alisha Desa          | P                         |
| 5      | Alisha Rodrigues     | P                         |
| 6      | Alvita Simoes        | P                         |
| 7      | Anaswella Fernandes  | P                         |
| 8      | Anusha Pereira       | P                         |
| 9      | Arti Raikar          | P                         |
| 10     | Cerveloma Fernandes  | P                         |
| 11     | Chelsea Sequeira     | P                         |
| 12     | Clarissa Barbosa     | P                         |
| 13     | Clency Fernandes     | P                         |
| 14     | Crisantha Aifa Vaz   | P                         |
| 15     | Crizel Faria         | P                         |
| 16     | Esther Fernandes     | P                         |
| 17     | Evelyn Fernandes     | P                         |
| 18     | G. Natasha           | P                         |
| 19     | Hinoshi Mascarenhas  | P                         |
| 20     | Jancy Fernandes      | P                         |
| 21     | Jennifer Xavier      | P                         |
| 22     | Jovira Rodrigues     | P                         |
| 23     | Keny Fernandes       | P                         |
| 24     | Malisha Pereira      | P                         |
| 25     | Manisha Shekhawat    | P                         |
| 26     | Mevita Fernandes     | P                         |
| 27     | Nasida .M. Sousa     | P                         |
| 28     | Pooja Kadam          | P                         |
| 29     | Rasika Negi          | P                         |
| 30     | Renessa D'costa      | P                         |
| 31     | Sabrina Gonsalves    | P                         |
| 32     | Sai Parab            | P                         |
| 33     | Sharn .D. Macarenhas | P                         |
| 34     | Shinam Shivani Naidu | P                         |
| 35     | Sindhavi Naik        | P                         |
| 36     | Stacey Barbosa       | P                         |
| 37     | Suvidha Jadhav       | P                         |
| 38     | Swancy Fernandes     | P                         |
| 39     | Swizel .L. D'costa   | P                         |
| 40     | Swizel Fernandes     | P                         |
| 41     | Veeta D'sa           | P                         |
| 42     | Venesha Abranches    | P                         |
| 43     | Viana .V. Vaz        | P                         |
| 44     | Yashoda Lamani       | P                         |

Name and Signature of Faculty

*Sajana D'sa*  
(SAJANA D'LOTA)

*[Signature]*  
Officiating Principal  
Carmel College of Arts, Science &  
Commerce for Women  
Nuvem - Goa.



**Ms. Jennifer Miranda inaugurating the Young Entrepreneurs' Fair 2016-17 in the presence of Ms. Sajani D'Costa, Ms. Gladys D'Souza and Mr. Audhoot Satardekar under the Administrative Block, Carmel College-Nuvem-Goa on 16<sup>th</sup> December 2016**



**Dr. Sr. Aradhana A.C, Principal, purchasing Christmas goodies at the Young Entrepreneurs' Fair under the Administrative Block, Carmel College-Nuvem-Goa on 16<sup>th</sup> December 2016**

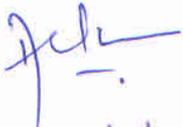
## **Young Entrepreneurs Fair 2017-18**

**Date: 5th January 2018**

The Commerce department organized its annual Young Entrepreneurs Fair on 5th January, 2018. The course outcome for three subjects, namely, Human Resource Management, Entrepreneurship Development and Financial Management for the TYBcom students is measured in the form of the Young Entrepreneurs Fair. The aim of the fair is to inculcate a sense of business mindedness and self-dependency in the students, and help them realize the business potential in them. All the items displayed and sold at the fair were entirely prepared by the students themselves using their own skills and domain knowledge.

The fair commenced at 10:00 a.m. with stalls being put up under the administration block and outside the cooperative society. All the students of TY B.Com class were divided into 9 groups who made the various creative items and sold them. Great enthusiasm and excitement was seen amongst the students as they put in days of hard work to make their respective items ready. The students were assessed on the basis of innovation in product, eco-friendly, marketing and promotion strategies used, presentation skills, business communication and professionalism. The students catered to the interests of all age groups. Their items included exotic and traditional food item like variety of cakes, muffins, spring rolls, pickles, fruit ice-cream, pakoras, sandwiches, soji etc. There were also handicraft items and accessories like paper bags, pendants, pouches, candles, rope basket, photo frames, ear rings and necklace sets, dream catchers, etc. Many of the items were pre booked and sold out. The groups also accepted orders for items to be delivered at a later date.

The fair was a great experience for the students and was well appreciated by the visitors/customers. The students enjoyed putting up the stalls and made decent profit on their wares. The students learnt to work together in a team and realise what it takes to do business and/or be young business women.

  
Officiating Principal  
Carmel College of Arts, Science &  
Commerce for Women  
Nuvem - Goa.

**CARAMEL COLLEGE OF ARTS, SCIENCE AND COMMERCE  
FOR WOMEN-NUVEM-GOA.**

**ATTENDANCE FOR YOUNG ENTREPRENEURS FAIR 2017-**

18

| <b>Name of the student</b>   | <b>Date: 5th Jan 2018</b> |
|------------------------------|---------------------------|
| Abranches Florida            | P                         |
| Afonso Swizel                | P                         |
| Aga Masoom Bi Jabbar         | P                         |
| Albuquerque Felima           | P                         |
| Barretto Bellerophon         | P                         |
| Bhati Bharati Fulchand       | P                         |
| Borkar Avisha Anil           | P                         |
| Braganza Renisha             | P                         |
| Cardozo Shamira Nevila       | P                         |
| Carvalho Manifa              | P                         |
| Coelho Thereza Jovita        | P                         |
| Da Costa Vienna              | P                         |
| De Souza Ciyalda Sonia       | P                         |
| De Souza Dielle Dayle Ariane | P                         |
| Dias Everley Carmel Luizinha | P                         |
| Dias Iona                    | P                         |
| Dias Myra                    | P                         |
| D'Mello Eva Maria            | P                         |
| Fernandes Anastia Reichel    | P                         |
| Fernandes Cressida           | P                         |
| Fernandes Jeneciana Juana    | P                         |
| Fernandes Joyna              | P                         |
| Fernandes Nikita             | P                         |
| Fonseca Clency               | P                         |
| Goes Anuusha Flavita         | P                         |
| Goes Reema Socorina          | P                         |
| Gomes Handrilla Monica       | P                         |
| Gomes Janice                 | P                         |
| Gonxha Gloria Rodrigues      | P                         |
| Jasmine D Souza              | P                         |
| Kattimani Sangita Suresh     | P                         |
| Komal Singh                  | P                         |
| Pereira Regina Ana Maria     | P                         |
| Pinto Flamica                | P                         |
| Pratibha Tiwari              | P                         |
| Rego Glenna                  | P                         |
| Rodrigues Leesha Casandra    | P                         |
| Roy Anupam K                 | P                         |
| Saifoddin Fatima Sayed       | P                         |
| Savita Shah                  | P                         |
| Silva Serena                 | P                         |
| Soares Kate                  | P                         |
| Souza Dias Auta Wilma        | P                         |
| Vasco Da Gama Amelia Coral   | P                         |
| Vaz Clancy Fatima            | P                         |
| Vaz Nadia Leena Heera        | P                         |
| Vaz Semon Menoshka           | P                         |
| Vaz Steffi                   | P                         |

Sajani D'Almeida  
(SAJANI D'ALMEIDA)

  
**Officiating Principal**  
 Carmel College of Arts, Science &  
 Commerce for Women  
 Nuvem - Goa.



**Students purchasing handmade gift bags from the Crafts and Creations stall at the Young Entrepreneurs Fair held on 5<sup>th</sup> January 2018 at Carmel College, Nuvem-Goa**



**Students purchasing handmade items from a food stall at the Young Entrepreneurs Fair held on 5<sup>th</sup> January 2018 at Carmel College, Nuvem-Goa**

## Young Entrepreneurs Fair 2018-19

**Date: 7<sup>th</sup> January 2019**

The Commerce department organised its annual Young Entrepreneurs Fair on 7<sup>th</sup> January, 2019. The fair is the outcome of the first ISA for three subjects, namely, Human Resource Management, Entrepreneurship Development and Financial Management for the TY B.com students. The aim of the fair is to inculcate a sense of business mindedness and self-dependency in the students, and help them realise the business potential in them. All the items displayed and sold at the fair were entirely prepared by the students themselves using their own skills and domain knowledge.

The fair commenced at 10:15 a.m. with stalls being put up under the administration block and outside the cooperative society. All the students of TY B.Com class were divided into 15 groups who made the various creative items and sold them. Great enthusiasm and excitement was seen amongst the students as they put in days of hard work to make their respective items ready. The students were assessed on the basis of innovation in product, eco-friendly product, marketing and promotion strategies, presentation skills, business communication and professionalism. The students catered to the interests of all age groups. The groups and items sold were as follows:

1. The Craftistic House – clay dishes, keychains and name tags
2. Handy Art – wall hangings
3. Chaat Cart – shev puri and pani puri
4. Cheesy Classic – cheesy white sauce pasta and French fries
5. Shape of my art - pinagre, rissole, baskets
6. Happy Hands – glass bottles
7. Cool and Crispy – crispy gobi, jeans and cloth pouches
8. Frying Squad – chicken lollipop, fish cakes and beef croquettes
9. The Decorative Cushions – decorative cushions
10. Paper Petal – paper flowers, Kella lily vase, mini paper vases, paper rose pots
11. Art Earrings – embroidery earrings and quilling earrings
12. Tingy Toungue – mango pickle, prawns mole, fish parra, pork mole, carrot, tenli, lime pickle
13. Concrete Décor – designer concrete vases
14. Mandala Henna - mehendi
15. Team Sinq – hand printed t-shirts, handmade crochet earrings, handmade valentine's day cards
16. Sweet Treats - eclairs and batk. (stall by a TY BA student)

Looking at the overwhelming response to YEF every year, this year a student from TY BA also put up a stall selling chocolate eclairs and batk.

  
Officiating Principal  
Carmel College of Arts, Science &  
Commerce for Women  
Nuvem - Goa.

**CARMEL COLLEGE OF ARTS, SCIENCE AND COMMERCE FOR  
WOMEN-NUVEM-GOA.  
ATTENDANCE FOR YOUNG ENTREPRENEURS FAIR 2018-19**

| Name of the student            | DATE: 07th January 19 |
|--------------------------------|-----------------------|
| Ahila S. Nair                  | P                     |
| Antao Monita Agnelo            | P                     |
| Barreto Venoshka               | P                     |
| Calado Linda                   | P                     |
| Camelo Aislinn Marilisa        | P                     |
| Colaco Selza                   | P                     |
| Coutinho Lisanne               | P                     |
| Dishel B Fernandes             | P                     |
| Estibreiro Adria               | P                     |
| Fernandes Simone Helen Lorenza | P                     |
| Fernandes Velary Concy         | P                     |
| Gosawi Sunita Narayan          | P                     |
| K. Sushma                      | P                     |
| Karapurkar Shrutika Sitaram    | P                     |
| Melo Mercy                     | P                     |
| Pagui Rameshwari Rajendra      | P                     |
| Pereira Janica Goretti         | P                     |
| Pereira Maziah                 | P                     |
| Rebello Elvina Anthony         | P                     |
| Reenu Margret Sebastian        | P                     |
| Sasha Valanka D'Silva          | P                     |
| Shaikh Afrin                   | P                     |
| Shaikh Kaizina A. Kadar        | P                     |
| Soares Sneha Genisia           | P                     |
| Velika Pedru D'Souza           | P                     |
| <b>Business Management</b>     |                       |
| Almeida Ninoska Shamin         | P                     |
| Braganca Jolita Michelle       | P                     |
| Carvalho Valancia              | P                     |
| Castanha Steffy Annie          | P                     |
| Clark Melissa Filomena         | P                     |
| Coelho Concy Stephanie         | P                     |
| Colaco Ravirena Maria          | P                     |
| Colaco Reema                   | P                     |
| D'Costa Slyza Francisca        | P                     |
| Dias Stafni                    | P                     |
| D'Souza Sanriel Fatima         | P                     |
| Ferrao Syntia                  | P                     |
| Maria D Fernandes              | P                     |
| Naik Ayushi Ajay               | P                     |
| Pednekar Poornima Dinesh       | P                     |
| Rebello Rubina Hazel           | P                     |
| Sequeira Felanie Mary          | P                     |
| Shaikh Kamrunnissa Z           | P                     |
| Tavares Alisha                 | P                     |
| Vaz Andrea                     | P                     |
| Velip Tanuja Laxman            | P                     |
| Waverly Teresa Dias            | P                     |
| Rodrigues Nickosha             | P                     |
| Kataria Jyoti Sureshchandra    | P                     |
| Sorang Anita H                 | P                     |
| Sorang Susheela                | P                     |
| Prasad Suman                   | P                     |
| Barretto Mazel                 | P                     |
| Correira Lizma                 | P                     |
| Fernandes Swizel               | P                     |
| Fernandes Francesca Martina    | P                     |
| Karekar Varsha                 | P                     |
| Colaco Charlotte               | P                     |

*Sajani D'souza*  
*(Sajani D'souza)*

*Jeli*  
Officiating Principal  
Carmel College of Arts, Science &  
Commerce for Women  
Nuven - Goa.

Ms. Gladys D'Souza and Ms. Anupama Gaonkar with the organizers of the Tingy Tongue Stall at the Young Entrepreneurs Fair on 7<sup>th</sup> January 2019.



Young Entrepreneur's fair 2019

# TINGY TONGUE



Come Visit Us At Carmel College, Nuvem

**Date: 7th January 2019**

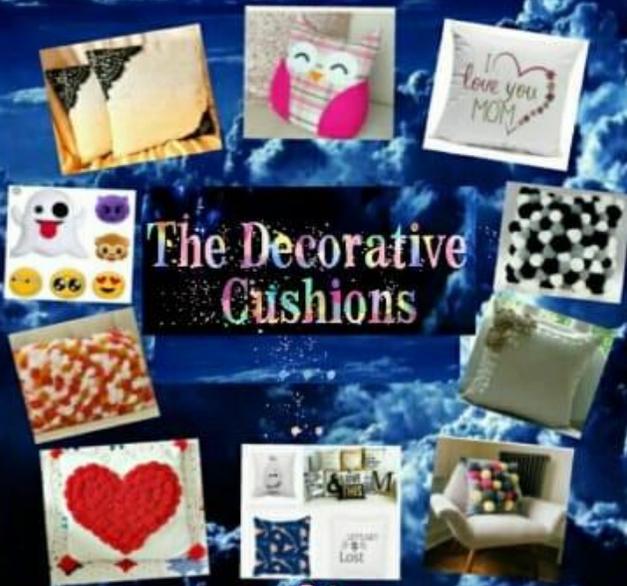
For homemade Goan Delicacies

Pickles | Fish Para | Prawn Molho | Bombil & much more

Contact : 8805725278/8975056271

Cushions on Display at the Decorative Cushions stall located under the Administrative Block as part of the Young Entrepreneurs Fair held on 17 January 2019 at Carmel College, Goa.

YOUNG ENTREPRENEURS FAIR 2019



**The Decorative Cushions**

*pre Order*  
to make your home look more prettier gorgeous & beautiful

DATE: 7th January 2019  
VENUE: Carmel College, Nuvem  
CONTACT: 7775035730 / 8208047831



Team Sinq displaying their products at the Young Entrepreneurs' Fair under the Administrative Block on 7<sup>th</sup> January 2019



**YOUNG ENTREPRENEUR'S FAIR 2K19 700**  
**Come and get yours!**

**ALCOHOL YOU LATER**  
**HANDMADE VALENTINES DAY GREETING CARDS**  
**HANDPAINTED TSHIRTS**  
**Be Kind**  
**HAPPY VALENTINE'S DAY**  
**HANDMADE CROCHET EARRINGS**

**#TEAMSINQ** ✨

Contact 8552980524 To place your orders

**CARMEL COLLEGE, GOA** 🍷

**Shape of My Art Stall displaying their wares as part of the Young Entrepreneurs Fair on 7<sup>th</sup> January 2019.**



**Students at the Chaat Court stall at the Young Entrepreneurs Fair on 7<sup>th</sup> January 2019.**



*Handy Art*  
Young Entrepreneurs Fair 2019  
Hand made Wall  
Hangings...  
Take it and make your house  
look more beautiful!!....  
Eco friendly



7th Jan 2019  
Carmel College, Nuvem  
For orders contact:  
9822077201 / 7447879822

Photo Frames and Wall Hangings displayed by the Handy Art Stall at the Young Entrepreneurs' Fair on 7<sup>th</sup> January 2019 at Carmel College, Nuvem Goa



**THE FRYING SQUAD**

**FISH CAKES**  
Rs.25/-

**CHICKEN LOLIPOP**  
Rs.50/-

**BEEF CROQUETTE**  
Rs.25/-

*Only for foodies, best or nothing!!!*

*Young Entrepreneurs fair 2019*

Time:- 10:15 am  
DATE : 7TH JANUARY 2018  
VENUE : CARMEL COLLEGE NUVEM

FOR PRE ORDERS PLEASE CONTACT : 9545489938

Organizers of the Frying Squad Stall preparing food items at the Young Entrepreneurs Fair on 7<sup>th</sup> January 2019.



# YOUNG ENTREPRENEURS FAIR 2019



The  
Craftastic  
House

## HURRY UP!!!

**Pre order your customized dish/  
nametag/keychain NOW!!!**

DATE: 7TH JANUARY 2019  
VENUE: CARMEL COLLEGE, NUVEM  
CONTACT: 7391979892/ 7798393916

Decorative items displayed by the Craftastic House Stall  
at the Young Entrepreneurs' Fair on 7<sup>th</sup> January 2019 at  
Carmel College, Nuvem Goa



2019/1/7 10:18

# Art earrings

Young Entrepreneur's  
Fair 2019

"This jewelry makes me look  
fat - said NO WOMEN EVER"

## Quilling earrings

Hand made  
Eco friendly  
Light weight  
Allergy free

Prices starting from Rs.30/-

7th Jan 2019

Venue: Carmel  
college, Nuvem

For orders call: 9096267870



Poster Maker

Art Earrings displaying their products at the Young Entrepreneurs' Fair under the Administrative Block on 7<sup>th</sup> January 2019

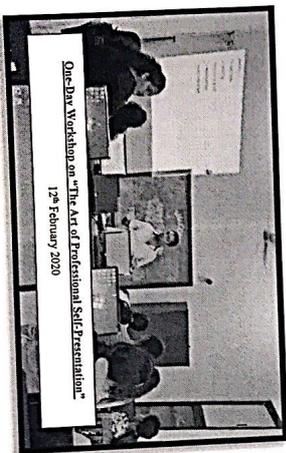


### One-Day Workshop on "The Art of Professional Self-Presentation"

A One-day Workshop on "The Art of Professional Self-Presentation" was organised at the Department of M.Sc. Food Technology on Wednesday, 12<sup>th</sup> February 2020. Asst. Professor Sheryl Afonso e D'Souza welcomed the students and the Guest Speaker of the day Mr. Antonio Marques.

The main objective of the Workshop was to enhance the presentation skills of the students of the Department while emphasizing the importance of soft skills in both professional and personal life. The Workshop also aimed to direct students in working with professionals, people, and groups; it helped enhance their communication and interpersonal skills. The importance of a CV and a Covering Letter and the writing styles that can be adopted in formulating the same were also discussed; this provided the students a thorough understanding of effective writing in an attempt to increase chances of selection at an interview. Practical sessions on the same were held. Tips on improving social media sites to make them more eye-catching to companies were also provided at the Workshop. The Workshop also included a discussion on the key points to visually presenting oneself (body language, facial expression and appearance) for growth, both personal and professional.

The One-day Workshop organised for us students of M.Sc. Food Technology Parts I and II to enrich various aspects of our personality and to shape ourselves in order to achieve our goals was much-appreciated. The demonstration-cum-discussion, presentation-cum-discussion, group work, and individual work to disseminate information adopted during the Workshop helped drive home the point of grooming very well. The discussion on CV Writing emphasized the "Less is More" concept while explaining the font styles and sizes that are acceptable and those which need to be avoided. The session on dressing underlined hairstyles, acceptable clothes, walking styles, footwear, and more.



## **Personality Development and Personal grooming Course.**

The Department of Political Science, Carmel College of Arts, Science and Commerce organized a Value Added course of 30 hours on Personality Development and Self Grooming. The course commenced on 19<sup>th</sup> August 2019 and ended 27<sup>th</sup> August 2019. The Resource Person was Ms. Harshita Saxena, Ex Miss India International and Image Consultant.

The course covered the following topics :

Communication Skills- Confidence building

Motivational speaking- Style and Tips

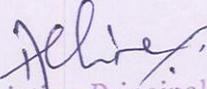
Basic Makeup- Fitness- Skin care

Personality Enhancement- Social Skills

Public Speaking and Dining Etiquettes.

27 students across all streams from the college were enrolled and successfully completed the Course.



  
Officiating Principal  
Carmel College of Arts, Science &  
Commerce for Women  
Nuvem - Goa.

## REPORT ON CERTIFICATE COURSE - QUALITY LIVING: BALANCE YOUR LIFE

The department of Psychology organised a certificate course on Quality Living: Balance your life, with the objective to teach students techniques that will help them learn how to manage their stress and anxiety and cultivate joy, happiness and gratitude. The course began on the third of October, 2019. It was course for 30 hours spread over the semester, at the end of which students were awarded 02 credits.

Through various techniques of meditation, awareness and therapies students were able to learn skills to improve the quality of life. They also mastered some key concepts and practices of mindful meditations that will help them feel at peace during times of stress leading to an increase in sense of self-worth and self-confidence.

The course also focussed on understanding the basis of the ways through affect, biology and behaviour and then moved to techniques of mindful meditations, mindful eating, mindful gratitude, savouring, flow state, dance and nature connectedness through which the students had the opportunity for experiential understanding of sharing, nature connectedness and journal work.

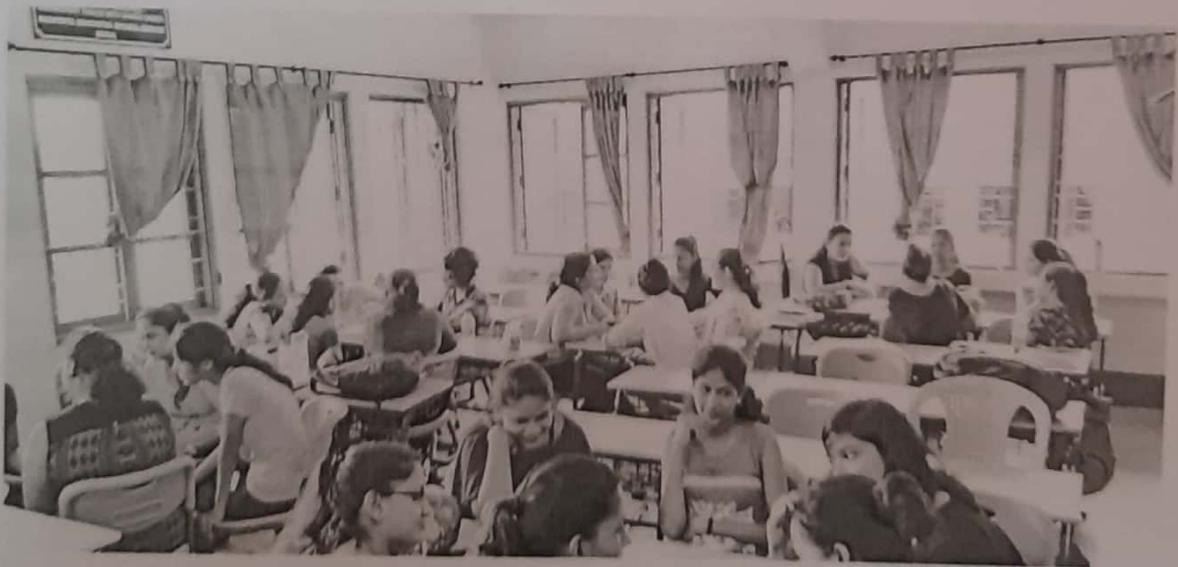
The course covered the following topics over the course of 4 months:

- Connection between brain and behaviour
- Exploring the senses
- Trust walk
- What is mindfulness
- Mindful breathing
- Body scan meditation: cultivating body awareness
- Pillars of mindfulness: 7 attributes of meditation – introduction
- Awareness of the body through meditation
- The techniques of mindful meditation with exercise
- Gratitude of the heart
- Health and relationships
- Interconnectedness
- Workshop on Mandela drawing
- Being aware of the sounds in the environment (field trip)
- Mindful listening: guided meditation
- Dance as a positive experience
- Workshop: ZUMBA a dance form to deal with stress
- Jungle retreat: 10 hours in nature connectedness theory and experience

- Mindful eating (Theory and practice)
- Gratitude walk
- Mindful forgiveness

By the end of the course students learnt powerful tools for dealing with negative habits of the mind and shifting their focus on a more positive way of life

*Albie*



*Jelie*



**HAPPY NEW YEAR**

1. Exploratory of Human Nature  
 2. Utilitarian Instruction  
 3. Confrontation  
 4. Eric Berne  
 5. Assertive Training  
 6. Shaping  
 7. Phenomenal Field  
 Free Expression.

9. Drive  
 10. Self-actualist  
 11. Carl Jung

PSYCHOSIS



*Arshina*

## Attendance for Certificate Course

| No | Seat No.   | Name of the Student              |         |
|----|------------|----------------------------------|---------|
| 1  | 2017 - 096 | D'Silva Janesia                  | Present |
| 2  | 2017 - 097 | Fernandes Daria                  | Present |
| 3  | 2017 - 099 | Rego Kenria Maria Thereza        | Present |
| 4  | 2017 - 100 | Souza Florencia Rosanna          | Present |
| 5  | 2017 - 106 | Gomes Selima                     | Present |
| 6  | 2017 - 109 | Andrade Elda                     | Present |
| 7  | 2017 - 112 | Fernandes Chrisfia Elifa         | Present |
| 8  | 2017 - 137 | Duarte Cheryl Avena              | Present |
| 9  | 2017 - 140 | Shanke Shaisha                   | Present |
| 10 | 2017 - 142 | D'Souza Tanya Semiya             | Present |
| 11 | 2017 - 144 | Vaz Neychelle Anna               | Present |
| 12 | 2017 - 155 | Fernandes Megan Michelle Lourdes | Present |
| 13 | 2017 - 171 | Cardozo Vailankanni              | Present |
| 14 | 2017 - 177 | Earle Rose Barreto               | Present |
| 15 | 2017 - 178 | Rodrigues Charlane Joana         | Present |
| 16 | 2017 - 181 | Gonsalves Pearl Maryann          | Present |
| 17 | 2017 - 186 | Alemao Merle Savia               | Present |
| 18 | 2017 - 187 | Pereira Enola Evica              | Present |
| 19 | 2017 - 188 | Vaz Suzy                         | Present |
| 20 | 2017 - 193 | Helena Soreng                    | Present |
| 21 | 2017 - 194 | Pereira Swizel Paulina           | Present |
| 22 | 2017 - 200 | Chawan Sandhya Devji             | Present |
| 23 | 2017 - 205 | Sheikh Ruksar                    | Present |
| 24 | 2017 - 217 | Savant Aishwarya Sandhesh        | Present |
| 25 | 2017 - 218 | Jesney Carvalho                  | Present |
| 26 | 2017 - 219 | Madhura Biswas                   | Present |
| 27 | 2017 - 320 | Shalvi Singh                     | Present |
| 28 | 2018 - 236 | Pereira Cecilia Maryann          | Present |
| 29 | 2018 - 237 | Coelho Rebecca Joanne            | Present |
| 30 | 2019 - 413 | Dias Romilla Wencyla             | Present |
| 31 | 2019 - 414 | Gurav Harshada Ashok             | Present |
| 32 | 2019 - 415 | Naik Saiksha Mayesh              | Present |

*Felice*