



United Nations
Educational, Scientific and
Cultural Organization

STARTING MY OWN SMALL BUSINESS

Participant's workbook

FOR
NON-FORMAL
LEARNERS

STARTING MY OWN SMALL BUSINESS

**A training module on
entrepreneurship
for learners
in a non-formal setting**

Participant's workbook

Part A: Business skills

Part B: Information and communication technology (ICT)

Foreword

The Education For All (EFA) process, for which UNESCO is the lead Agency, has spurred considerable increases in primary school enrolments in many Least Developed Countries (LDCs). As these young people complete their primary education, their governments will be faced with the challenge of providing them with opportunities for further learning – either in the form of general secondary education or some preparation for the world of work.

Many countries, particularly in Africa, consider that technical and vocational education and training (TVET) can equip young people with skills that enable them to engage in productive livelihoods. Yet in the past, TVET programmes have not led to increased employment, despite the obvious need in these countries for technical and vocational services. This has been due, in large part, to a dearth of wage employment opportunities for technically trained workers.

UNESCO's Section for Technical and Vocational Education is addressing this issue by proposing that entrepreneurial skills should augment the technical knowledge and skills learners might already have. Entrepreneurial skills will help them to acquire the mindset and know-how necessary to make self-employment a viable career option. Since there is currently little resource material available for teaching and learning about entrepreneurship, especially for learners in the non-formal setting, UNESCO has developed this prototype of a modular training package in entrepreneurship entitled "Starting my own small business".

It is my fervent hope that education authorities, and non-governmental organizations and others will utilize this training package for non-formal learners in conjunction with vocational skills training programmes. This can help prepare learners of all ages and backgrounds to have productive livelihoods as self-employed entrepreneurs. In countries where significant numbers of young people work in the informal economy, this resource material may be used to train those already in the workforce to systematize and improve the quality of their work, with the goal of eventually becoming contributors to the formal economy.

UNESCO views the ability to engage in a livelihood as a vital life skill. Therefore, this training package in entrepreneurship may be considered a contribution towards achieving goal 3 of the EFA agenda – providing young people and adults with access to quality life-skills programmes.

Peter Smith

Assistant Director-General for Education

UNESCO

Paris, March 2006

Preface

Starting my own small business is a prototype modular training package in entrepreneurship that is intended to provide supplementary knowledge to young people receiving technical and vocational education and training (TVET), in formal or non-formal settings, so that they may acquire an entrepreneurial mindset and the knowledge to set up a small business, if they so wish.

The training packages have been developed as a result of numerous requests from high-level education policy-makers in developing countries, particularly in Africa, who have bemoaned the lack of employment opportunities for the technically trained, while at the same time the availability of technical services was very limited. They were convinced that young technically trained people needed to become self-employed as independent service providers rather than depend on finding wage employment. Young people would then be able to satisfy the demand for those services while carving out profitable careers for themselves.

Yet, there was little available resource material on entrepreneurship that could augment TVET. This led UNESCO to hold two workshops in Lusaka, Zambia and Kampala, Uganda bringing together TVET policy-makers from 11 East African countries to design modular training packages in entrepreneurship for higher secondary TVET learners and for non-formal learners. Following their guidelines and in close consultation with a core group of the workshop participants, UNESCO's Section for Technical and Vocational Education developed these prototype training packages for the two groups of learners.

The training packages are elementary and are intended to be an introduction to ethical entrepreneurship. They make no claim to be a complete resource material on starting a small business. Rather, they are core programmes that outline the key topics on entrepreneurship and may be expanded or abbreviated as the teaching situation demands. They also aim at instilling a heightened sense of self-confidence, particularly among non-formal learners, and awakening them to the possibility that self-employment could be a viable career option.

Launching a successful business requires an awareness of one's knowledge, skills, abilities, aptitudes, values and preferences. The training therefore begins by inviting students to consider their own strengths and weaknesses in these areas, so that they develop a clear sense of themselves. They are encouraged to perceive themselves as the actors responsible for their own lives. Learners are

Preface

then guided through the various stages of developing a commercial idea, from identifying a community need for a product or service to acquiring resources, organizing a workplace and marketing the product or service and finally preparing a business plan. At each step, the learner is encouraged to discover how his or her skills may be utilized to cater to a need in the community. While encouraging independent thought, creativity and initiative, the training demonstrates the benefits of collaborative work by treating selected topics as group activities.

Finally, a section on the use of information and communication technology (ICT) in a small business enables facilitators to introduce these concepts to the extent that is relevant. The rapid spread of ICT usage lends this topic increasing significance. Such a discussion may also help to dispel the mystique that may persist in the minds of some learners regarding ICT.

For learners completing secondary-level education the training may help to make the transition from the structured atmosphere of the school to the world of work. For some non-formal learners it may provide the keys to a livelihood and for others it may lend legitimacy and system to work they are already doing.

By promoting economic self-reliance and the need to play a constructive role in the community, the training also aims at human capacity building, a key element of sustainable development. Furthermore, empowering young people to engage in productive livelihoods is consistent with the first of the Millennium Development Goals, which is concerned with poverty eradication.

Each training package consists of two parts – a facilitator's guide and a participant's workbook. Facilitators may adapt and interpret the training material to suit the unique situations in each community. The packages may be translated into local languages and reproduced without restriction, provided UNESCO is acknowledged as their source.

Section for Technical and Vocational Education

UNESCO

How would you like to earn your living?

You want to be independent and to take your place in your community and the wider world. A good way to achieve this would be by using your practical knowledge and skills, together with knowledge about entrepreneurship, to launch your own business.

This course will help you to develop your entrepreneurial skills and start a business that could give you a livelihood that can support you and your family. Your business will contribute to the economic activity in your community and you may even go on to employ others. This would be a service to your community.

Most people who would like to work for themselves find it difficult to decide what type of business to start. If you wish to choose a business that suits you, you should start by thinking about yourself. You have knowledge and skills that are needed by both the community and business. Your ideas are needed. You can produce something or provide a service that you can sell. If you're already involved in some trade, this course will help you to refine your skills.

As a self-employed businessperson, you will be responsible only to yourself. You will not have to report to supervisors or take instructions from anyone.

You will be your own boss!

However, you will have to use your judgment and your sense of what is right and wrong. You have a responsibility to your community to be an ethical entrepreneur.

This class involves you personally, and you need to be an active participant to benefit fully from it. While you need to contribute your ideas and views, it is equally important to listen to your classmates in an open-minded and respectful way.

You are encouraged to think positively about how this course can help you to fulfil your career aspirations.

Enjoy the course and good luck with your business!

Contents

PART A: BUSINESS SKILLS	7
<i>Unit 1</i> Learning together	8
<i>Unit 2</i> My entrepreneurial skills	10
<i>Unit 3</i> My ideas for small business	12
<i>Unit 4</i> My market	14
<i>Unit 5</i> Setting my prices	16
<i>Unit 6</i> Finding the money to start my business	20
<i>Unit 7</i> Banking	24
<i>Unit 8</i> Keeping track of my money	26
<i>Unit 9</i> Communicating with my customers and business partners	28
<i>Unit 10</i> Making the best use of my time	30
<i>Unit 11</i> Observing rules and regulations	32
<i>Unit 12</i> Managing my workplace	34
<i>Unit 13</i> My business plan	36
PART B: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)	39
<i>Unit 1</i> Contacting my clients and partners with ICT	40
<i>Unit 2</i> The Internet and e-business	42
CHECKLIST	44

Part A

Business skills

This part of the course will help you discover the qualities and skills you possess that will assist you to become a successful entrepreneur. It will also introduce you to a few basic concepts in business.

Unit 1

Learning together

◆ Why am I attending this course?

○ What do I expect to learn?

- ▲ What can I contribute to the discussion?

- How do I expect to interact with my facilitator?

- ★ How do I expect to interact with my colleagues?

Unit 2

My entrepreneurial skills

◆ In each of the following skills groups, my own skills are:

▷ Conducting myself

▷ Thinking

▷ Interacting with people

▷ My safety and survival

▷ Things I can do

○ How have I learnt these skills?

▲ What do I use them for?

■ How often do I use these skills?

Unit 3

My ideas for small business

◆ What needs do I know about in my community?

○ What can be done to address these needs?

▲ Which of my skills can be used to address these needs? How?

■ Which of these needs can my colleagues and I develop into a business idea?

Unit 4

My market

◆ Using your business idea, answer the following questions:

- ▷ Who is interested in (needs) my product or service?

- ▷ Why do they like or dislike my product or service?

- ▷ Are they willing to buy it (give money or another product for it)?

▷ Will they always want to buy the product regularly or seasonally (sustainable)? Or will they stop buying it completely (unsustainable)?

▷ How many of my product or hours of my service will they need?

▷ Where should the product be available (location of sales points)?

Unit 5

Setting my prices

Cost of production + overheads + profit = selling price

◆ Look at the examples below.

Example 1

I make wooden toys for children.

The wood for one toy costs 5.

My labour costs for making the toy are 5.

My bus fare to and from the marketplace is 1.

My place at the market costs 2.

My business' profit is 2.

My selling price is 15.

Production	Cost
Wood	5
Own salary	5
Overheads	
Bus fare	1
Market place	2
Total cost of production	13
Profit	2
Selling price	15

Example 2

I am a dancer.

I pay 6 an hour to my teacher. Each day that I give a performance, I attend a class that lasts 2 hours.

I practise by myself every day for 4 hours. I do not need to pay for this.

I pay 2 for the bus (return trip) to the concert hall.

Hiring my costume costs 10 per day.

I dance for 2 hours.

The usual salary for a performer like me is 8 per hour.

Production	Cost
Dancing costume	10
Training (2-hour class)	12
Own salary (for 2 hours)	16
Overheads	
Bus fare	2
Total cost of production	40
Profit (for a 2-hour dance)	10
Selling price	50

I think my business should make a profit of 10 for my 2-hour dance, as my costume is very expensive and I am an excellent dancer. This means if I give one performance in one day, I should charge 50!

Unit 5

Setting my prices

- How much is the local price for the items I am producing or for the service I am providing?

- ▲ How will I calculate my selling price?

■ Now fill in the table using your business idea.

Production	Cost
Overheads	
Total cost of production	
Profit	
Selling price	

Unit 6

Finding the money to start my business

- ◆ List the materials you need for your small business. Next to each resource, indicate whether you have it already, can get it free of charge or have to buy it.

- ▷ For the materials you have to buy, estimate how much they will cost you.

Unit 6

*Finding the money to start
my business*

▷ Do I have money to buy the materials?

▷ If not, how will I find the money?

Unit 6

Finding the money to start my business

○ Would I like to borrow from family? Or friends?

▲ What is 'interest'?

■ Would I like to borrow from a micro-finance organization? Or a bank?

★ How much would I need to borrow and how much would I be able to pay back per month?

Unit 7

Banking

The nearest bank to my home is

I already have a bank account Yes No

◆ The types of bank accounts I know about are:

○ Which of the following things do I need to open and operate a bank account for my small business?

name of my business

cheque book

work tools

cash book

receipt book

a lot of time!

bank account that has my personal and business savings in it

a good filing system

identity papers

radio

Unit 8

Keeping track of my money

- ◆ Why do I need to keep track of my money?



- The facilitator will provide you with models of receipts used locally and cheques from local banks.
- ▷ Write a cheque of 40.15 to the business partner who supplies you with brown wrapping paper.
- ▷ Write a cheque of 23.68 to the tradesperson who repaired your weighing machine.

I have sold the following items:

10 necklaces at 3 each at the market on 6 March of this year

4 baskets at 15 each to the hotel on 18 April of this year

1 woodcarving at 60 to a shop on 12 May of this year

- ▷ Fill in receipts for each of the items.
- ▷ Use the information in the receipts to fill in a cashbook.

Unit 9

Communicating with my customers and business partners

- ◆ Why do I need to communicate clearly?
- When talking with people, I am usually....
- ▲ It can be hard to talk to new clients because....

■ In pairs, role-play a scene at the marketplace. You could choose between a variety of scenes, such as:

- ✓ A customer wants a product now, but you (the seller) will only receive it in 20 minutes' time.
- ✓ An entrepreneur would like to demonstrate a new product to a client.
- ✓ A customer is complaining about the dust on a product.
- ✓ A customer would like to receive the product now and pay later.

▷ Which ideas were expressed clearly, and which were not?

▷ How can I improve my communication skills?

Unit 10

Making the best use of my time

An entrepreneur needs to organize his or her time carefully. Your day may consist of carrying out many activities, including family obligations.

◆ These are my daily activities:

I wake up at every morning.

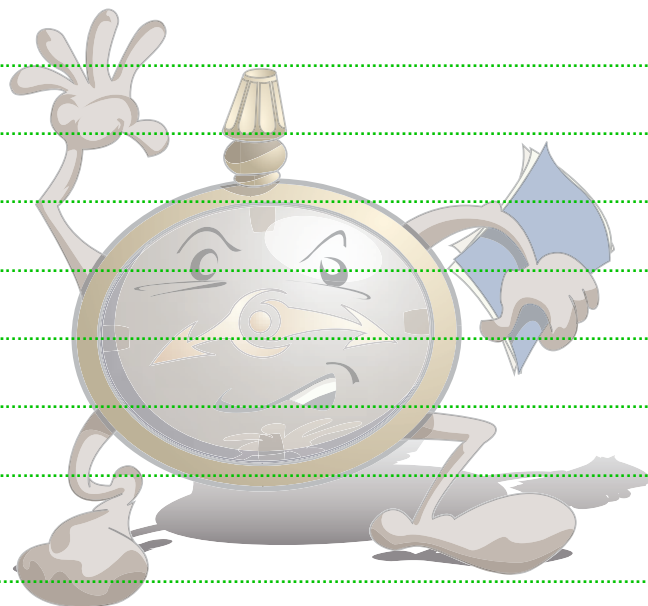
.....

.....

.....

.....

.....



I go to sleep at every evening.

○ What are the tasks involved in my chosen business?

▷ The best time for preparing my product or service is:

▷ The best time for meeting my customers/selling my product or service is:

▲ Can I fit in some of my business tasks while I am going about my usual daily routine?

For example, when we cook we do not prepare dishes one at a time. Rather, we carry out our chopping, mixing and boiling in such a way that all our dishes are ready to serve up just when we want them!

I could spend hours working each day.

Unit 11

Observing rules and regulations

- ◆ How do I register my business?
- What rules will I have to remember?
- ▲ What taxes should my business pay?

■ How will the taxes I pay benefit (1) my community; (2) my small business?

★ What facilities and incentives are available to entrepreneurs starting a new business in my community?

♥ What ethical standards will I uphold?

Unit 12

Managing my workplace

- ◆ What does my workplace look like?



○ Why must my workplace be kept well-organized and tidy?

▲ What must I do to keep my workplace safe?

Unit 13

My business plan

A business plan is a summary of what my business intends to sell, the resources (money and materials) I need and how I expect to acquire them, who will manage my business and what profits I may expect.

It is required in order to:

- ✓ obtain permission from the local authority or the Chamber of Commerce to set up my business
- ✓ convince funding institutions to lend me money
- ✓ rent a space for my business premises
- ✓ convince my business partners to supply materials or services, etc.

The business plan should consist of the following components:

- ✓ title page (name of my business, my name and contact address)
 - ✓ summary of my business objectives
 - ✓ table of contents
 - ✓ structure of my proposed business
 - ✓ the product or service I intend to sell
 - ✓ my marketing plan (based on a simple market survey)
 - ✓ my financial plan
 - ✓ what I expect my business to earn
 - ✓ other supporting documents, such as letters of recommendation, certificates of education and training, community service documents, etc.
- ◆ Together with your group, prepare a business plan.

Part B

Information and communication technology (ICT)

Information and communication technology (ICT) can help you to start and manage a business. Even though some ICTs may not be immediately available in your community, it is important to have at least a basic knowledge of their potential in a business setting.

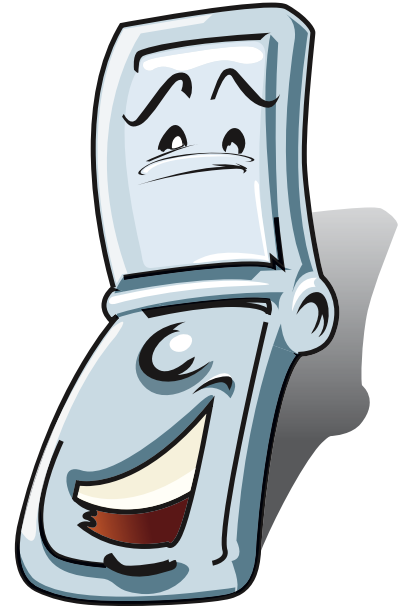
This part of the course will introduce you to ICT in a progressive fashion, starting with the established technologies and leading to contemporary ones.

Unit 1

Contacting my clients and partners with ICT

◆ Using a phone

- ▷ Do I have access to a phone?
- ▷ If not, could I use someone else's phone?



During a phone call, your voice is very important because the other person cannot see your face or hands. They can only tell whether you are smiling, frowning, happy or unhappy by the tone of your voice. Your voice must show how you feel. It should indicate interest in your customer.

- ① Find a partner in your group. Try some pretend phone conversations. Sit back-to-back so you cannot see each other's face. One person should be a businessperson and the other a customer.

Try these situations:

1. The customer is asking about prices.
2. The customer is upset about faulty goods.
3. The customer wants to pay later rather than now.

○ Using a fax machine

Design a cover page for faxes for your business.

▲ Advertising my business

▷ How can I let people know about my business in my community's newspaper?

▷ Think of television advertisements that you know. Which ones did you like and why?

 Together with your group, design a short advertisement to be broadcast over the radio.

 How can a computer help me to run my business?

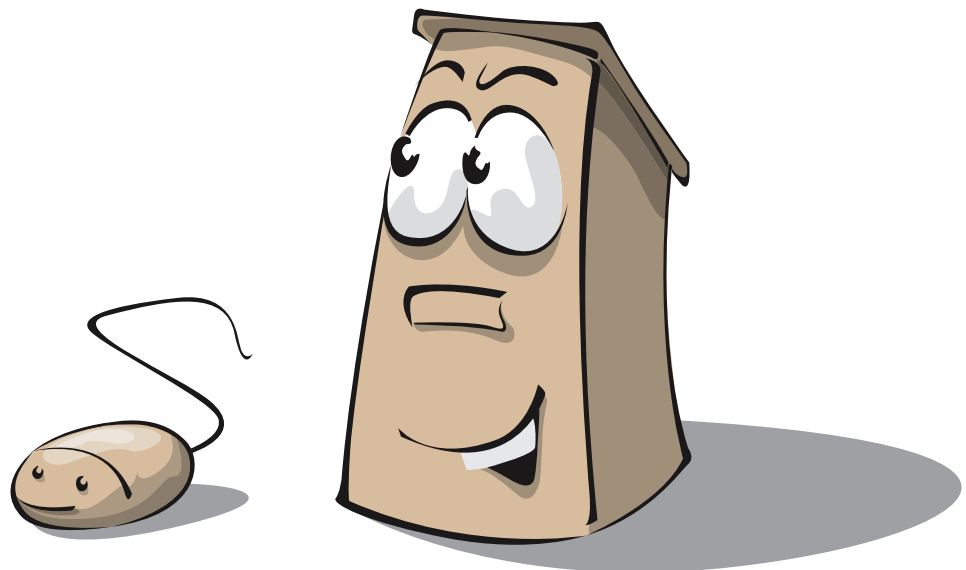
Unit 2

The Internet and e-business

@ What is the Internet?

✉ What information can I get for my business from the Internet?

🖱️ How can I publicize my business using the Internet?



Checklist

What have I learnt during this course?

Put a tick (✓) for YES. Put a cross (X) for NO.

- I am aware of my skills and personal qualities.
- I can identify the needs for products and services in my community.
- I can decide on a business that suits me (my skills and talents).
- I can work out what to charge customers (price) for my goods.
- I know who my customers will be.
- I know where to sell my goods or service.
- I know what money and materials I need to start my business.
- I know about bank accounts.
- I understand how important it is to keep personal money and business money separate.
- I can give out receipts for money my business receives.
- I can keep a cashbook.
- I can talk to new clients easily.
- I can organize my time well.
- I know about my community's rules and regulations for business.
- I have worked out my business plan.
- I understand how a small business could use a telephone, fax machine and e-mail.
- I understand how some businesses use computers.

Checklist

If you put a lot of crosses, ask your facilitator to explain some of those things again.

▷ Have my expectations been met in this course?

▷ Did I learn anything I did not expect to learn?

▷ Was it a good or a bad thing to learn?

▷ What am I going to do now?

Checklist

You may want to learn more about running a business. If you do, ask your facilitator about courses in your area.

UNESCO

SECTION FOR TECHNICAL AND VOCATIONAL EDUCATION

7, place de Fontenoy – 75352 Paris 07 SP, France
Tel.: +33 (0) 1 45 68 09 60/8 08 34 – Fax: +33 (0) 1 45 68 55 45
tve.section@unesco.org – www.unesco.org/education