Trainer's Manual

BUSINESS SKILLS
TRAINING AND COACHING

Farmer Organisations

PART 2

german cooperation
DEUTSCHE ZUSAMMENARBEIT

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

As a federally owned enterprise,
GIZ supports the German Government in achieving its objectives
in the field of international cooperation for sustainable development.

Published by:
Deutsche Gesellschaft für Internationale Susammenarbeit (GIZ) GmbH

Registered offices Bonn and Eschborn, Germany

Friedrich-Ebert-Allee 36 + 40
53113 Bonn, Germany
T +49 228 44 60 - 0
F +49 228 44 60 - 17 66

Dag-Hammarskjöld-Weg 1 – 5
65760 Eschborn, Germany
T +49 61 96 79 - 0
F +49 61 96 79 - 11 15

E info@giz.de
I www.giz.de

GIZ Country Office, Uganda
Plot 23 Nakasero Road,
P.O Box 10346, Kampala Uganda,
Telephone: +256-414-303901
Email: giz-Uganda@giz.de

Content and Design Consultants
Kansiime Monica
kansmona3@gmail.com

Stefanie Taylor
staylor.consult@gmail.com

Photo credits:
Lugugo Joshua, Illustrator

Kampala, Feb 2023

Trainer's Manual

BUSINESS SKILLS
TRAINING AND COACHING

Farmer Organisations

PART 2

german cooperation
DEUTSCHE ZUSAMMENARBEIT

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Table of contents

Table of contents

Acknowledgements

Farmer Organisations (FOs) have yet to realise their full business potential in Northern Uganda and other parts of Africa. Only economically viable, inclusive and sustainable businesses owned by the entrepreneurial FOs and their members can improve services and resources, better market access, and ultimately increase incomes from farming, reducing the widespread dependence on external resources.

The FO Cycle Training and Coaching methodology builds upon a model developed by GIZ Malawi and draws substantial inspiration from recognised GIZ methodologies such as Farmer Business School (FBS), Cooperative Business School (CBS), Module d'Affaires d'OPA and SME Business Training and Coaching Loop.

The Deutsche Gesellschaft für Internationale Susammenarbeit (GIZ) GmbH "Promoting Rural Development in Uganda" (PRUDEV) Programme adjusted the FO Cycle Training and Coaching methodology to fit the local context, and it was piloted with 16 Farmers' Organisations in 7 districts in Northern Uganda in 2021-2023 to develop business-oriented Farmer Organisations (FOs) that engage with agro-commodity markets.

The 3-part training and coaching cycle is designed to be implemented over 9 to 12 months, focusing on Farmer Organisation business skilling. It adopts a systematic training and coaching approach that seeks to realise the potential of growth-oriented FOs. The training involves using simple planning and management tools, including action plans, simple business plans and financial management tools.

A good mix of FO executive board members, FO committee leaders, lead farmers, Community-Based Trainers and change agents should be included in the training and coaching to ensure awareness and uptake of skills and ideas at all levels of the FO.

Depending on the prior knowledge and skills of the FO, more or less time can be spent on different topics within each part of the training. The aim is to tailor appropriate, engaging and supportive training to help an FO move to the next level of productivity and success.

This manual should not be viewed as a standard reference with correct terminology. The team that developed this manual deliberately decided to compromise on technical language or terms to ensure easy understanding and application of the Business Skills Training and Coaching amongst the targeted audience.

Acronyms

FO	Farmer Organisation
GIZ	Deutsche Gesellschaft für Internationale Susammenarbeit GmbH
IT	Information Technology
PRUDEV	Promoting Rural Development
SMART	Specific, Measurable, Achievable, Relevant, Timebound
SWOT	Strengths, Weaknesses, Opportunities and Threats
FBS	Farmer Business School
CBTs	Community-based Trainers
CBS	Cooperative Business School
CAs	Lead Farmers or Change Agents
UGX	Uganda Shillings
Kg	Kilograms
SME	Small and Medium Enterprises

Introduction to the trainer's guide

Welcome to Business Skills Training and Coaching for Farmer Organisations! This is the trainer's guide for the second part of the training.

This training guide must be used hand-in-hand with the Part 2 Participant Handbook, which contains information for participants to read and space for them to write or draw at different points during the training sessions. As the trainer, you will use the Trainer's Guide and you should have access to the Part 2 Participant Handbook. Training participants should each have only the Participant Handbook.

Before conducting the Part 2 training, you likely want to train participants using the Part 1 training guide. After completing all training sessions in Part 1 and Part 2, you can move on to train Part 3. Each of the training parts have their own accompanying Trainer's Guides and Participant Handbooks.

How to use this trainer's guide

Part 2 is divided into three modules:

Module 1: Sales and marketing

Module 2: Financial management and record keeping

Module 3: Business planning

Each module contains several training sessions. Each session in the guide is organised in a similar way. Key features in a session are highlighted on the next page. Take some time to study the organisation of the sessions so you will be prepared to train.

Session 4:
Creating goals and an action plan for the FO

Session objectives:

- To set SMART goals for the FO for the next 6 months
- To create an action plan for achieving each SMART goal

Materials:

- Flipchart paper
- Markers
- Pens/pencils

Time:

- 3 hours

Activity 1: What are your personal goals? (15 minutes)

1. Ask participants to find the personal goal brainstorm on page xx of the Participant Handbook. Read each brainstorm question aloud and then give participants time to think about, write or draw their answers.
2. After 7-8 minutes, ask a few volunteers to share some of their goals with the whole group.

Activity 2: Setting SMART goals for the FO (45 minutes)

1. Ask participants how they would define a "goal" and why it is important to set goals when you are trying to achieve something. Use the information in the Facilitator's Notes box to check their answers.
2. Introduce participants to SMART goals and give an example of a SMART goal using the information in the Facilitator's Notes box.
3. Help the group set 5-6 SMART goals for things that are important to the FO, which they will aim to achieve within the next 6 months. These may be related to the services, investments and products they decided to pursue in the last session. Help the group set:
   - At least one **production goal** (how much the group will produce/sell, etc.)
   - At least two **non-production goal** (goals for recruiting new members, fixing equipment, offering a new service, making an investment, marketing, etc.)

Note: Not everyone must share – only those who are willing.

4. Write each SMART goal the FO decides on a flipchart paper and hang it at the front of the room. If participants want, they can also write down the FO's SMART goals on page xx of their Participant Handbook.

Facilitator's notes

Guidelines for creating a vision

A vision should be:

- concise (average 14 to 15 words)
- clear
- memorable
- forward thinking
- ambitious
- creative
- specifies what success looks like for you
- linked to business goals

Key messages

- Companies, including FOs, need to determine their core values so that they know what shared values everyone in the company/FO agrees to and must abide by.
- Example core values that an FO might choose are: integrity, transparency, quality, sustainability, honesty, entrepreneurial, forward-looking, gender-equality, inclusion and accountability.
- A vision is a shared understanding of where we want to be and what we want to strive for in a certain period of time. It is a compelling and inspiring image of a desired future that an FO seeks to achieve.
- A vision guides the FO with regards to what it would like to achieve together. It is necessary for the FO to have a common purpose because it helps focus the FO. It can also inspire change and motivation among FO members. It guides the type of leaders to elect and members to have in the FO.

This box has the introduction information about a session. You should read it before the session, but you do not need to read it out loud to participants.

All sessions have at least one activity, and usually more than one. They say how much time should be spent on each activity.

All activities have step-by-step instructions for how to conduct the activities.

Some activities include a note for the trainer with extra information that will help guide you during the session. You do not need to read it out loud to participants.

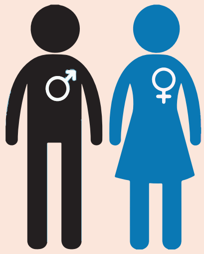
Some activities require participants to use their Participant's Handbook. The relevant page number is always provided.

Some activities have important technical information. You should read these to yourself before the session. You may need to read this information aloud to participants, or just use it to guide discussions. Follow the instructions in each activity.

All sessions have key messages to share with participants at the end of the session. These key messages are the main messages that participants should understand by the end of the session.

Cross-cutting themes

Throughout the sessions, you will also find boxes with icons highlighting 4 cross-cutting themes. You can highlight these cross-cutting themes at any relevant point during the training, but these boxes are there in specific places as a reminder.



Gender

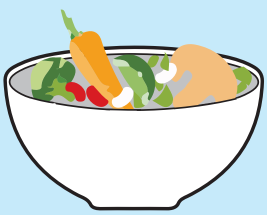
Men and women should have equal opportunities and respect in the FO. Women's participation should be especially encouraged because they are hardworking, committed, and skilled, yet are often overlooked in favor of men who may be less skilled and committed. As the facilitator, you should remind participants to take women's opinions into consideration and take advantage of their valuable contributions.

Youth

Youth should have opportunities to participate and lead in the FO. Youth often have many beneficial qualities, including: 1) time to spare when they could work towards FO goals; 2) willingness and confidence to try new, innovative things; and 3) may be more familiar with or willing to learn technology. Youth are the future of Uganda, so they should be included in revitalising the agricultural sector so that it is more profitable and sustainable.

Greening

Climate change is impacting the entire world. In Uganda, the effects of climate change are especially damaging because they are causing extreme weather like droughts and flooding which negatively impacts agriculture and people's livelihoods. As possible, highlight opportunities for the FO to get involved in greening – which means being environmentally friendly and sustainable.



Food security

FO members are involved in agriculture, yet many of their families may be vulnerable to food insecurity. This is often because it is tempting to farm only cash crops or sell all their food crops to generate money for the business. This is a dangerous practice when there is poor personal financial management and the money generated by the farm is not enough to buy food year-round. FO members should be encouraged to consider how they can promote food security in their families and communities (by keeping and selling some produce locally).

Training methodologies

This guide uses a variety of participatory techniques, designed to get participants active, talking and involved in the training. Some of the training methodologies used include:

Engagement with the Participant Handbook – Participants are often asked to look in or work from their Participant Handbook. The Handbook includes images, important technical information, discussion questions, information like case studies needed for the training activity and space to write/draw their ideas. You will request when participants should look in their Handbook and give them instructions about what to do with it.

Discussion and group work – Participants are often asked to discuss in pairs or groups to help them combine their knowledge and think collaboratively. This helps participants discover their own wealth of knowledge rather than being 'taught' by the trainer. You must encourage a judgement-free environment where participants feel comfortable to share their ideas and ask questions. Encourage participants to respect each other and work together harmoniously.

Experience sharing – Some activities and discussion questions utilise the rich experiences of the participants by asking them to share testimonies and good practices. These can be beneficial for the person who is sharing to reflect on their own experience and for others in the group to learn from different group members' experiences.

Games – A few activities in the guide are in a game-style format. These games are important activities for sharing knowledge, but they also get participants moving, talking, and having fun while they are learning.

Creating FO goals and plans – Each training part engages participants in the creation of important goals and plans. In Training Part 1, they create FO goals and a corresponding action plan to follow to achieve them. In Training Part 2, they update their goals, draft a business plan, and create a new action plan to achieve the business plan. In Training Part 3, they update their business plan and action plan to achieve it. These outputs are important for the overall success of the FO and helps guide them as they start to become more entrepreneurial.

Training tips

Read sessions thoroughly before training them. It is very important that you, as the trainer, are familiar with all parts of each training session, including the objectives and key technical knowledge that participants should know by the end of the session. Your confidence and accuracy delivering the session will improve after you have read the session through several times.

Prepare all materials before arriving for a training session. Preparation is key for delivering an effective training session. Having all materials ready will help the session to go smoothly and keep your audience's attention. Before conducting a session, check which materials you must have on hand for the session (as listed in the introduction box at the beginning of each session), and ensure all participants have their Participant Handbook.

Set ground rules with participants at the beginning of the training and remind them of what they agreed to in subsequent sessions. This will set expectations that all participants agree to respect. Ground rules might include turning off mobile phones during training, respecting other participants' views and participating actively.

Encourage active participation. As much as possible, get participants involved in a hands-on, practical way. This is because people receiving a training remember 10% of what they read, 20% of what they hear, 30% of what they see, and 80% of what they personally experience. It is therefore more important to encourage discussion and group work rather than passive listening, to help participants absorb and comprehend new information.

Be objective. As a trainer, it is not necessarily your role to tell participants the 'right' way to think. Being judgmental or closed-minded about other people's ideas is the fastest way to get them to stop talking and refuse further discussion, which is something we do not want to do. Allow participants to share their ideas, consider what they are saying seriously and work with them towards changing their mindset, if necessary, rather than criticising them.

Organising participants for training

Target audience

Business Skills Training and Coaching for Farmer Organisations targets members of smallholder Farmer Organisations (FOs). A training should include up to 25 participants, who are all from the same FO.

Typically, the profile of a group attending this training would include:

- Representatives from the FO's committees including from the Production Committee, Marketing Committee and Procurement Committee
- Representatives from the FO's leadership/board
- Community-based Trainers (CBTs) who are members of the FO
- Lead Farmers or Change Agents who are members of the FO
- Both women and youth

Expectations for Farmer Organisations

The FO is responsible for:

- Selecting up to 25 members and leaders (from a variety of roles within the FO) to fully participate in the three parts of the Business Skills Training based on the participant selection criteria above
- Ensuring that participants selected are ready and willing to drive organisational development processes
- Securing an appropriate training venue
- Facilitating the sharing of information/decisions from the Business Skills Training and Coaching for Farmer Organisation with the broader FO membership

Expectations for individual participants

Each participant is responsible for:

- Transporting themselves to and from training sessions
- Organising their own refreshments and snacks. This can be done individually or as a group
- Arriving at each session in time for signing-in and getting ready for training
- Actively contributing in each session
- Actively participating in a way that is respectful to the trainer, other participants, and their contributions
- Returning to the session on time after breaks
- Keeping their Participant Handbook in good condition and bringing it to each training session

Organising training sessions

1. **Consider participants' available time**

   When you meet with the FO for the first time, agree a schedule with them for all of the Part 2 sessions. Training should be conducted over a period of time that is comfortable for both you and the participants. This will help ensure participants' attendance and enthusiasm. Do not force participants to meet on days when they are unavailable or for long periods of time that they cannot manage with their work and other responsibilities. Be especially cognizant of creating a training schedule that can fit into women and youth participants' time constraints.

2. **Keep the agricultural calendar in mind**

   Keep the agricultural calendar in mind when planning training sessions. For example, modules related to planning for FO success (Part 2: Module 1, 2 and 3) should be conducted before the agricultural season starts so that the FO can start off the season on a strong foot. Also be aware of times during the agricultural season when farmers are busy in their gardens, and adjust the training schedule to accommodate them.

3. **Consider participants' existing knowledge and learning needs**

   Use your discretion as a trainer about what your participants need in terms of the time spent on different training sessions. If the FO is more advanced in a topic discussed in the training, you may be able to skip it or spend less than the suggested time on it. If the FO is struggling to understand a topic, spend more than the suggested time to ensure that they fully understand before moving on. You are the trainer, and you can adjust the training as you see fit to suit the needs of your participants.

4. **Example training schedule**

   The following recommended training schedule is one possible configuration for Part 2 of the training. It suggests 8 days of training, for between 3 and 6 hours each day (a total of 37 hours, 15 minutes). Ideally Part 2 would be conducted over the course of 2-3 weeks, however, participants should ultimately tell you when and for how long they can meet for training.

Training checklist

Before starting a training session, check the following:

- Ensure participants are aware of (and comfortable with) the training time and venue.
- Read the instructions for the session(s) you are planning to train.
- Organise all necessary materials for the session(s) you are planning to train.
- Organise a participant's list.
- Ensure participants have their Participant Handbooks.

Table 1: Possible Training Schedule Configuration

Training Day 1	Training Day 2	Training Day 3	Training Day 4	Training Day 5	Training Day 6	Training Day 7	Training Day 8
Total Training Time: 3 hours, 20 mins	**Total Training Time:** 4 hours, 30 mins	**Total Training Time:** 4 hours, 20 minss	**Total Training Time:** 4 hours, 50 mins	**Total Training Time:** 4 hours, 10 mins	**Total Training Time:** 5 hours, 55 mins	**Total Training Time:** 4 hours	**Total Training Time:** 5 hours
Module 1: Sales and marketing • Session 1 • Session 2	**Module 1: Sales and marketing** • **Session 3**	**Module 1: Sales and marketing** • Session 4 • Session 5	**Module 2: Financial management and record keeping** • Session 1	**Module 2: Financial management and record keepin** • Session 2 • Session 3	**Module 2: Business planning** • Session 1 • Session 2	**Module 2: Business planning** • Session 3 • Session 4	**Module 2: Business planning** • Session 5 • Session 6

MODULE 1:
Sales and marketing

Module introduction:

This module introduces participants to the concept of marketing so that they will be able to produce products/services that others will want to buy, and which can make the FO a profit.

First, participants recap what they learned from Part 1 of the training and reflect on how their FO's progress towards their goals and action plan are going. This helps get participants back into the mentality of training and working to improve their FO.

Next, participants learn about different markets including the advantages and disadvantages of selling to different types of customers. After learning this information, they can consider who their target market should be for their different products/services. After selecting a few types of markets/customers to target, they will determine the minimum price they must sell their products/services to make a profit.

Once they have determined a few products/services that they think can be profitable, they examine the 5Ps of marketing for them. This means considering the **Product/Service** they will sell, the **Price** they will sell it at, the **Place** where they will sell it, the **People** they will sell it to and the **Promotion** they will use to sell it. After thinking through all these elements for their products/services, they will create a simple marketing plan which they can use to market their products/services to their target customers.

Module outline:

Session 1: Recap and reflection

Session 2: Understanding markets and marketing

Session 3: Determining price and target markets to ensure profitability

Session 4: The 5Ps of marketing

Session 5: Marketing plan

Module objectives:

By the end of this module, participants should be able to:

- Understand the meaning of marketing and recognise different types of markets where they can market their products/services
- Determine profitable selling prices for each of the FO's products/services
- Understand the 5Ps of marketing and use it to create a marketing plan for their products/services

Training materials needed:

- Flipchart paper, markers, pens/pencils
- A small ball to toss (made of paper or anything else safe and easy to throw)
- Flipchart with the FO's core values (created in Training Part 1, Module 3, Session 1)
- The FO's SWOT Analysis from Part 1, Module 3, Session 2 (which was written on flipchart paper and in participants' Part 1 Participant Handbooks)
- The FO's SMART goals from Part 1, Module 3, Session 4 (which was written on flipchart paper and in participants' Part 1 Participant Handbooks)

Total time needed for module: 11 hours, 40 minutes

Session 1:
Recap and reflection

Session objective:

- To recap what participants remember learning in Part 1 of the training
- To reflect on the successes and challenges the FO faced working towards their goals and action plan since the last training session

Materials:

- Flipchart paper
- Markers

Time:

- 1 hour, 35 minutes

Activity 1: Review Part 1 of the training (45 minutes)

1. Welcome participants back for Part 2 of the training in the Business Skills Training and Coaching for Farmer Organisations.
2. Ask all participants to stand up in a circle. Also join their circle and invite any GIZ staff who are present to join as well.
3. Explain the instructions:
   - Turn to one person next to you in the circle.
   - Ask them:
     - Their role in the FO (if you don't know this already)
     - One thing they are proud of doing to help improve the FO since attending Part 1 of the training.
   - After 3 minutes of partner discussion, ask each person to introduce their partner to the entire group. Each person should share their partner's name, role in the FO and what they said they are proud of since attending Part 1 of the training.
4. Remind participants about the purpose and components of the Business Skills Training and Coaching for Farmer Organisations. Highlight the components of the Part 2 training which they will learn about today and in the coming days/weeks. Use the facilitator's notes to guide your introduction.
5. Divide participants into small groups of 3-4. Ensure that each group has at least one person who can read and write.
6. Give each small group a flipchart paper and markers. Ask groups to draw illustrations or write words on their flipchart about what they remember learning in Part 1 of the training. If they are struggling to remember what they learned, guide them to look at page 11 of the Participant Handbook to see a graphic showing some of the broad topics from Part 1 of the training.

7. After 10 minutes, ask each small group to present one or two things they remember learning from Part 1 of the training.

Facilitator's notes

Overview of the business skills training and coaching for farmer organisations

This business skills training and coaching for Farmer Organisations was initially designed by GIZ Malawi, before being adopted and piloted by GIZ's PRUDEV programme in Northern uganda. It promotes business capacity development, service provision, financial viability and profit generation of Farmer Organisations.

The training and coaching is designed to be implemented over a period of **9 to 12 months** and its focus is on Farmer Organsiations. It adopts a systematic training and coaching approach that seeks to realise the potential of **growth-oriented FOs**.

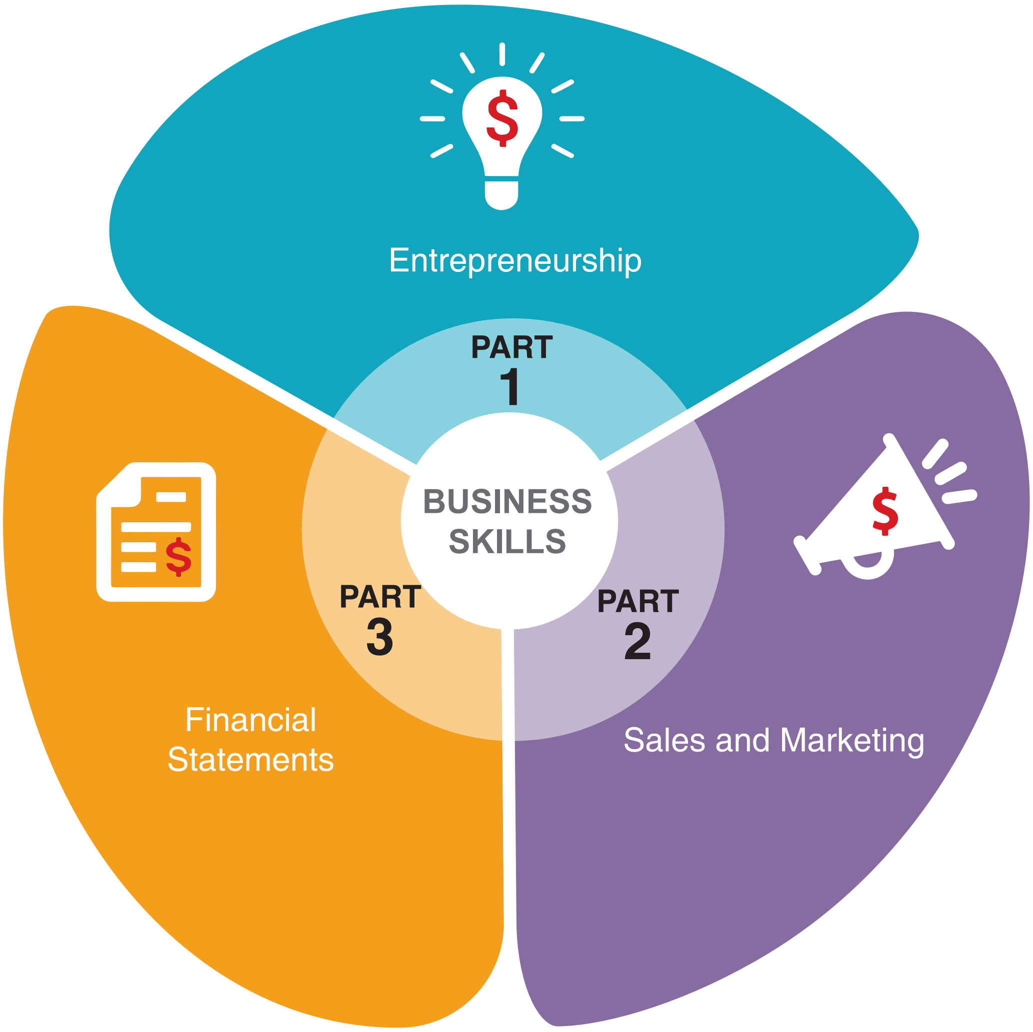
The training involves the use of **planning and management tools** that include action plans, simple business plans and financial management tools.

A good mix of FO board leaders, FO committee leaders, lead farmers, community-based trainers (CBTs) and change agents should be included in the training and coaching to ensure awareness and uptake of skills and ideas at all levels of the FO.

There are three parts of training:

- **Training Part 1** explores **entrepreneurship** and how training participants and the FOs they belong to can be more entrepreneurial so that they make more money and improve their way of life. Participants create a **vision and set goals** for their FO and then develop an **action plan** to achieve them. Participants also learn about healthy **group dynamics**, and good **leadership and governance** in an FO. Their task before the next part of the training is to try to realise their FO's goals and action plan.
- **Training Part 2** explores **sales and marketing** including finding a market and making a profit from FO products. Participants also learn about **financial management and record keeping** for the FO so that they can monitor profitability. Participants learn about how to create a **business plan** and then they draft a business plan for their FO. They make a **new action plan** so that they can take steps to work towards their business plan.
- **Training Part 3** reviews **financial statements** including the cash flow, income statement and balance sheet. Participants understand why these statements are important and **how to interpret them**. Then participants **review and update their business plan**, based on their experiences trying to implement since the end of Part 2 of the training. They also **update the action plan** so they can continue to take steps towards achieving it.

Depending on the prior knowledge and skills of the FO, the trainer will spend more or less time on different topics within each part of the training. The aim is to **tailor an appropriate, engaging and supportive training** that will help an FO move to the next level of productivity and success.



Activity 2: FO goals and action plan reflection (45 minutes)

1. Divide participants into small groups of 3-4. Ensure that each group has at least one person who can read and write.
2. Explain: In Part 1 of the training, the FO set SMART goals and created an action plan for achieving them. It is an important skill for FOs to get in the habit of setting goals, creating a plan of action for achieving them, and then routinely reflecting on how progress is going. Now you are going to practice reflecting on the FO's progress towards the goals since we last met for training.
3. Ask groups to discuss the reflection questions on page 11 of the Participant Handbook.
4. After 10 minutes of group discussion, bring the whole group back together and ask different groups to give their opinions on the reflection questions:
    - Has the FO achieved any of the goals it set in Part 1 of the training (during Module 3, Session 4)?
    - What has helped the FO to execute the action plan and achieve goals?
    - What has prevented or hindered the FO from executing the action plan and achieving goals?
    - What should the FO do differently in the future to achieve its goals?

Food security, greening, gender, and youth:

Ask participants to specifically comment on their progress towards the goals they have concerning food security, greening, gender and youth.

Activity 3: Networking meeting information (5 minutes)

1. Share any upcoming business linkages or peer networking information with participants. Ensure to share:
   - What the networking opportunity is
   - Where it will be
   - When it will be
   - Why they should join
   - Three targets they want to achieve during the event
2. Encourage participants to write down the targets, date, time and location of the next event on page 12 of the Participant Handbook.

Key messages

- Members and leaders of an FO should be in the habit of setting goals, making an action plan to achieve them, and routinely reflecting on whether it is making good progress towards those goals. Routine reflection will help the FO be responsive in case anything is going wrong so it can correct any problems before too long.
- Part 2 of the Business Skills Training and Coaching for Farmer Organisations continues on from what you learned in Part 1. In the second part of the training, you will learn about sales and marketing, financial management and record keeping, and how to make a business plan for the FO.

Session 2:

Understanding markets and marketing

Session objectives:

- To understand what marketing means
- To recognise the different types of markets/buyers that FOs can target and understand their respective advantages and disadvantages

Materials:

- Flipchart paper
- Markers
- A small ball to toss (made of paper or anything else safe and easy to throw)
- Handfuls of good and bad oilseeds
    - Good seeds: Not wrinkled or cracked, uniform sise and color, of the same variety, etc.
    - Bad seeds: Wrinkled or cracked, not uniform sise and color, a mix of different varieties.

Time:

- 2 hours, 45 minutes

Activity 1: Introduction to collective marketing (15 minutes)

1. Ask participants to stand up in a circle.
2. Toss a ball to someone in the circle. Ask them to say what comes to mind when they hear the word "collective marketing".
3. After several people have shared their ideas, summarise what "collective marketing" means by sharing the information in the Facilitator's Notes.
4. Repeat the activity again by asking "What are the benefits of collective marketing"? Toss the ball and let participants give their answers.
5. After several people have shared their ideas, summarise the benefits of collective marketing by sharing the information in the Facilitator's Notes.

Facilitator's notes

What is collective marketing?

Collective marketing is...

- selling your products as a group.
- looking for buyers as a group.
- convincing buyers to buy from your group.
- doing business together as a group.
- promoting your FO.
- marketing services to FO members.
- building relationships with FO clients.
- negotiating and striking deals that will benefit all members.
- all activities that lead to selling and buying as a group.
- The group delivering customer satisfaction at a profit.

What are the benefits of collective marketing?

The benefits of collective marketing are:

- Farmers can get better prices for their products when they bulk together and negotiate with buyers as a group.
- Farmers can reduce their costs of production by working together (buying inputs together, sharing transportation costs, etc.).
- Farmers can get contracts with customers they otherwise wouldn't get as individual farmers.

Activity 2: Advantages and disadvantages of different markets (1 hour)

1. Ask participants to turn to page 14 in the Participant Handbook and find the Market Connections graphic.
2. Ask the following questions. Use the information in the Facilitator's Notes box to support their answers.
   - What customers do individual farmers have? How does that compare to the potential market the FO has?
   - Why do farmers sell to middlemen? What happens when farmers sell to middlemen instead of to the FO?
   - What can farmers do to avoid selling to middlemen because they need quick cash?
3. Explain: One of the biggest values for small farmers when they join an FO is to gain access to more markets/buyers and to get a better price for their products. The Market Connections graphic shows the various markets/buyers that FOs can access so FO members can bulk their products and sell together.
4. Ask participants to list the specific markets/buyers that the **FO CURRENTLY HAS**. Write the names of their current customers (individuals/businesses) on a flipchart.
5. Now list the markets/buyers that the **FO COULD TARGET IN THE FUTURE**. Write each customer (individuals/businesses) on a flipchart. Be as specific as possible by listing each potential customer's name.

Greening:

As participants are brainstorming potential markets for their products, encourage them to think about what markets they could find for the waste/by-products of their crops. This could be another source of income for farmers and FOs, and also could contribute to environmental protection.

6. Divide participants into 4 groups. Assign each group one of the potential markets/buyers that FOs can sell to:
   - Local/small retailer or supermarket
   - Off-taker/wholesaler
   - Processing industry
   - Institutional buyer (schools, prisons)
7. Explain: In your group, discuss the advantages and disadvantages of selling to your assigned type of market/buyer. Refer to the discussion questions on page 15 of the Participant Handbook.
8. As participants are discussing, encourage them to consider the QQF for their assigned buyer – what Quantity will that type of customer require, what Quality will that type of customer require, and at what Frequency will that type of customer require a supply.

Note: The wholesale market and the consumer market are different, and both have certain advantages and disadvantages. If FOs sell to individual customers, they may need to think about their marketing strategies differently than if they sell to larger buyers. It is a different ballgame to sell to individual customers since the FO would need many more individual customers than larger customers who buy in bulk.

9. After 10 minutes of group discussion, bring everyone back together and ask different small groups to present the advantages and disadvantages of marketing to their assigned type of market/buyer. Use the Facilitator's Notes box to check their answers and fill any gaps.
10. After the discussion, go back to the flipchart where you listed the FO's current and potential markets/ buyers. Sort each one into the type of buyer it is (according to the Market Connections graphic on page 14 of the Participant Handbook). Keep this sorted list, as it will be needed in the next session.
11. Explain: The advantages and disadvantages of different buyers may change over time. The marketing committee must be in-tune with the market and what is going on. Informed decisions must be made every year about who to sell to, in order to ensure the FO is making the best deals and getting the best prices for its members.
12. Finally, have a short discussion about what FOs can do to encourage farmers to sell to them instead of to middle men. Participants should consider:
    - What can we do to increase FO member loyalty?
    - How can we offer better deals than anyone else?
    - How can we offer services that the farmers want and need so that their yields increase and they want to bulk with us?

Facilitator's notes

Market connections

What customers do individual farmers have? How does that compare to the potential market the FO has?

- Farmers are mostly limited to three customers: 1) middlemen, 2) local/small retailers and 3) the FO. Most small-holder farmers cannot farm enough on their own to secure buyers with larger supply requirements.
- FOs have many more market options than individual farmers. They can sell to larger buyers because they can bulk produce from many farmers. They also have more manpower and resources to search for and find markets.

Why do farmers sell to middlemen? What are the disadvantages of selling to middlemen?

- Middlemen often travel to farm gate, so farmers do not need to worry about transportation logistics or costs. They usually offer quick cash and farmers can often sell all of their produce to the middleman and not worry about needing to market his/her goods to several customers.
- However, they sacrifice the prices they could get: Middlemen offer lower prices than what the farmer can get if he/she sells with an FO.

What can farmers do to avoid selling to middlemen because they need quick cash?

- Farmers can get small loans to tide them over while they are selling their produce for better prices with the FO.
- When the farmer makes a better price with the FO, he/she can save some of the earnings for the future months when he/she is waiting to sell again.

Facilitator's notes

Market connections

1. Local/small retailer or supermarket

- Local/small retailers are small businesses (such as small shops/supermarkets, street-food vendors, small restaurants, etc.) who sell goods directly to consumers. They are located in both rural areas and in cities. They often need to buy their supplies of food on a daily or weekly basis.

Advantages:

- FOs can sell directly to local/small retailers which cuts out the middleman.
- FOs can sell produce to local/small retailers at any time, according to the agreement made with the retailer.
- Retailers who are located close by may have low transport costs.
- Convenient and fast transactions may be more possible.
- These customers are good for learning and collecting research about how to do business.

Disadvantages:

- Local/small retailers usually buy in smaller quantities, so to sell large quantities FOs must have agreements with many different retailers.
- These customers may try to dictate prices.
- Retailers who are located far away from the FOs' operations may be expensive or difficult to transport produce to on a reliable, consistent schedule.

2. Off-taker/Wholesaler

- These are customers who buy products in bulk, and then resell them to their customers (usually large customers like companies or institutions). They are similar to middlemen, but they operate on a larger scale and therefore work with suppliers who have more quantity to sell (as opposed to middlemen who buy small amounts from many smallholder farmers). Off-takers may resell products on a foreign market or at later dates for a higher price.

Advantages:

- They can buy in bulk/bigger quantities.
- They can offer a better price.
- They may pay cash on the spot.
- They may provide the seed on credit and then pay the FO for their produce (minus the cost of the seed) when it is ready.

Disadvantages:

- They can give FOs wrong information if the FO is not careful.
- Some may want to heavily negotiate prices so that their profit margin is as high as possible. Others will pay based on world market prices for grain, meaning the price fluctuates from day to day and can be difficult to predict.
- They may not pay in cash, but may pay after a few days or a week directly into an FO's bank account.
- They may not honor agreements made.

Facilitator's notes

Market connections

3. Processing industry

- These are companies who buy produce for value addition and conversion into final products (including grain mills and food manufacturers).

Advantages:

- These buyers often can buy in bulk.
- They can have long-term contracts with an FO.
- They can support the FO by providing them with inputs.
- There are opportunities for long-term relations.

Disadvantages:

- There may be long delays in payment.
- They may fail to honor contractual agreements.
- They can sometimes dictate prices.

4. Institutional Buyers

- These could include schools, prisons, hospitals or other institutions who have a lot of people to feed on a daily basis.

Advantages:

- They may be located close by, so transportation costs might be low.
- They have a steady demand of large quantities, so it is easy to plan for how much is needed to sell to them.
- They may be able to pay in cash.

Disadvantages:

- They may delay payments.
- They may fail to honor contractual agreements.
- If the quality they receive is not good enough, they can use it as an excuse not to pay.

Activity 3: Finding your market (45 minutes)

1. Divide participants into small groups of 3-4. Ensure that each group has at least one person who can read and write.
2. Explain: Thinking about who the FO can market to is only one part of the equation – FOs must also ensure that they choose the right product for them to market under their circumstances and that they have the information they need to market their product well.
3. Explain: In your group, brainstorm all of the market information FOs need when determining what product to produce and how it must be produced (i.e. quality, packaging, timing requirements, etc.).
4. Give groups 5 minutes to brainstorm, then ask groups to volunteer some of their answers. Use the Facilitator's notes box below to check their answers.

Facilitator’s notes

Market information FOs need

- Actual price of agricultural commodities
- Insights into price trends
- Competitors and their marketing strategies
- Requirements of consumers
- Required arrival timings of commodities
- Quality specifications by various buyers
- Grades and standards
- Packaging specifications preferred by buyers
- Terms and conditions of different commodity traders
- Transport costs
- Market fee/levy/charges, taxes, among other things
- International standards for commodities
- World market price trends

5. Ask groups to name a few commodities that they are interested in marketing collectively that they already know this information about. List these commodities on a flipchart.
6. Then ask groups to name a few commodities that they are interested in marketing collectively that they do not already know this information about. List these commodities on a flipchart and discuss how the FO is going to find out this information about the commodities.
7. Explain: After getting all the market information you need and deciding on a commodity to focus on for your FO’s collective marketing, the FO must market their product before the harvesting is even done. It is important for the FO to know who their customers will be and how much they are going to demand (and when) before production is even complete. Ensure that the FO negotiates the terms of payment with each customer as well, with a focus on cash payments if possible.
8. Start a discussion using the following question.
   - Does this FO market in a way that benefits all members, or just a few?

Note: Ensure that the point comes across that the FO leadership team is responsible for ensuring all members of the FO benefit from collective marketing, not just a select few. The FO should make marketing deals that most or all members can participate in, or make several marketing deals so that everyone has an opportunity collectively market with the FO.

Activity 4: Maintaining your markets (45 minutes)

1. Pass around the two handfuls of good and bad seeds to different people at the front of the group. Tell them to examine each handful of seeds and note the characteristics and then pass the seeds on. Do not tell them yet which handful is the good seeds and which is the bad seeds.
2. Give everyone a chance to look at the two different handfuls of seeds.
3. Ask the following questions. Use the Facilitator's Notes box below to support their answers.
   - If you were a customer, which handful of seeds would you be more willing to pay more money for and why?
   - Why is quality important when finding and maintaining your market?
   - What can happen if the FO lets quality drop?
   - What can FOs do to signal to customers that they have certified high-quality products?
   - What specific actions can the FO take to offer a good quality product that customers want?
4. Explain: Aside from maintaining good quality, FOs must also consider the cost of acquiring and keeping their customers. Some clients will be easier to maintain than others. Some will cost more to maintain contact with, but FOs should see this cost as an investment (if they like and want to keep the customer).
5. Ask the following question. Use the Facilitator's Notes box below to support their answers.
   - Why is it important for the FO to have multiple customers, instead of relying on just a few?

Facilitator's notes

The importance of quality

If you were a customer, which handful of seeds would you be more willing to pay more money for and why?

- Participants will likely identify that they would pay more money for the good quality seeds than for the bad quality seeds.

Why is quality important when finding and maintaining your market?

- Customers most often want to get good quality for their money. They may be willing to pay more money for good quality products.
- Good quality can help initially attract customers to the FO's business, especially if it offers better quality than its competitors.
- Continued good quality can help you maintain the market over time, since customers will get to know that your FO offers good quality products. The FO's reputation will be a good one and it will not have as much trouble finding and maintaining customers.

What can happen if the FO lets quality drop?

- Eventually, customers will leave to find better, more quality options.
- Many businesses start off with high quality, but over time they allow their quality to slip. This quality slippage usually eventually results in financially hard times for the business and can even result in the business closing.
- Remember that all businesses have competitors, and if your competitor offers better quality than you do – your business may be in trouble! Keep a focus on quality and keep working at making the business as profitable as possible, and the business is likely to be a success!

What can FOs do to signal to customers that they have certified high-quality products?

- They can get their products recognised by UNBS as meeting quality standards. This can help the FO get better prices and even become a preferred partner for buyers.

What specific actions can the FO take to offer a good quality product that customers want?

- They can use product/process upgrading to ensure they are producing a quality product.
- They can maintain good post-harvest handling practices to ensure quality is maintained throughout the entire production cycle.
- They can use good packaging to complement their high-quality products. Sometimes good packaging is all that stands between an FO and getting a higher price for their good products!

Facilitator's notes

Maintaining multiple customers

Why is it important for the FO to have multiple customers, instead of relying on just a few?

- There is a high risk if the FO only has a few customers. If one of them pulls out, it could threaten the FO's entire business. If the FO loses a big customer at a critical moment, FO members' products can spoil and a lot of money can be lost.
- Instead, FOs should have multiple buyers. This ensures that they spread the risk around in case one customer cancels a contract or doesn't pay on time. The FO should keep in contact with and maintain relationships with multiple buyers and should constantly be reevaluating who are the best customers to focus on.

Key messages

- Collective marketing means selling products to customers as a united group.
- One of the biggest values that farmers should get from joining an FO is the ability to collectively market their products with others. This should help them to get better prices, get access to markets/buyers they wouldn't be able to access on their own, sell more produce, and increase their income.
- Individual farmers can sell to middlemen, but they will not get as good of a price as when they sell through an FO. Aside from helping them get a better price, FOs can also provide farmers with services like value addition, bulk input purchases, ploughing, etc.
- FOs have many different possible channels for marketing their products. Some types of buyers they can target include retailers, off-takers/wholesalers, processors and institutional buyers. It is important that FOs understand the advantages and disadvantages of working with each of these types of buyers before deciding about who to market to.
- FOs need market information in order to make smart decisions about the products they sell. They should focus on quality products to find and maintain their market.
- FOs should sell to multiple customers in order to spread their risk. Selling everything to only one or two customers can be risky in case those customers suddenly change their minds or pull out of the contract with the FO.

Session 3:

Determining price and target markets to ensure profitability

Session objectives:

- To determine the average cost of producing one unit of the FO's product
- To determine a profitable selling price for one unit of the FO's product
- To recognise the importance of spreading risk by selling to multiple buyers

Materials:

- Flip chart paper
- Pens/pencils

Time:

- 4 hours, 30 minutes

Activity 1: Determining average net cost per unit (1 hour 30 minutes)

1. Explain: When marketing any product, you must determine the minimum price that you can sell it to make a profit. If you don't do this calculation, it is possible that you will spend a lot of time and money growing crops, and then either not make any money (break-even) or even lose money. It is important for every businessperson to ensure that they are selling their products at a profit.
2. Explain: The first step in determining how to price your product so that it can make a profit is to understand how much it costs you to produce it.
3. Ask participants to go to page 16-19 of the Participant's Handbook. Walk through each part of "Calculating the average net cost per unit for the farmer". Use the example of John the FO member to help participants understand the calculation process.
4. After going through the entire example, divide participants into groups of 2-3. Ensure that each group has at least one person who can read and write.
5. As a group, participants should determine the "Average net cost per unit for the farmer" for one product that the FO sells together. They should consider the average production and operational costs that individual farmers have, and come up with an average cost per unit that most farmers spend to produce one unit of the crop. Participants should use the instructions and examples on page 16-19 of the Participant Handbook as a guide.
6. After 30 minutes, ask each group to share their calculation. As a whole group, **determine one "Average net cost per unit for the farmer" that the whole group will use as they move forward into the next activity.**

7. Then ask the following discussion questions:
   - Was anything difficult about calculating the "Average net cost per unit for the farmer"?
   - What could happen if you don't know the "Average net cost per unit for the farmer" of your product?

Activity 2: Determining selling price to achieve profitability (2 hours)

1. Explain: Now that we have determined how much, on average, it costs an individual farmer to produce one unit of a product, we can determine the minimum price the FO should charge per unit so that farmers and the FO can make a profit when marketing collectively.
2. Explain: The price that the FO should charge may change depending on WHO the buyer is, and the different costs associated with selling to them. In this activity we will examine a few different buyers that the FO could sell products collectively to and what the minimum price should be to ensure both the farmer and the FO makes a profit by selling to them.
3. Walk participants through the steps and example of how to calculate a profitable selling price on pages 19-22 of the Participant Handbook. Use the example of the New Chance FO to help participants understand the calculation process.
4. Do one realistic example together. As a whole group, select one buyer that the FO currently sells their product to. Follow the steps on pages 19-22 of the Participant Handbook to calculate a profitable selling price for the selected buyer.
5. Explain: As an FO, it is important to spread risk by having more than one buyer for your product.
6. Ask the following discussion question. Use the Facilitator's Notes box to check participants' answers.
   - What can happen if the FO has only one buyer and is relying on them entirely to buy the FO's product?
7. Explain: Since we know the FO needs more than one buyer, we need to determine the selling price of our product for each different buyer, since the price may vary slightly depending on the buyer's requirements.
8. Divide participants into small groups. Ensure that each group has at least one person who can read and write.
9. Ask each group to choose a different buyer from the list of potential buyers they brainstormed in the last session (retailers, off-takers wholesalers, processors, etc.). Each group should calculate a profitable selling price for their specific buyer.
10. After 30 minutes, groups should present their calculations to show how they got to their suggested profitable selling price. The whole group can then debate whether this is an acceptable selling price for the specific buyer.
11. After the activity, ask the following discussion questions:
    - What have you learned about how to calculate a profitable selling price for your product?
    - How can these calculations help the FO and FO members be more successful with their businesses?

Facilitator's notes

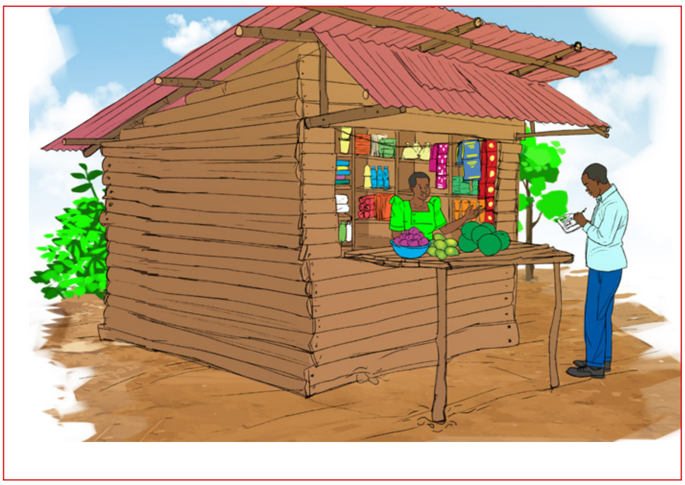
Spreading risk across multiple buyers

The FO should try to target buyers who can buy their product at the highest profit margin, but it is also important to spread risk across multiple buyers.

Sometimes one buyer does not demand a large supply from the FO. In this case, the FO must find multiple buyers to ensure all members' produce has a market.

It can be very risky if an FO relies on only one buyer because:

- Even if the FO has a contract with a buyer, the buyer can break the contract and refuse to take the product at the end of the season. This will leave the FO with a large amount of produce that it does not have a buyer for. The products can spoil before another buyer is identified, which could cost the FO and its members millions. This will cause members to lose faith in the ability of the FO to market their products.
- If an FO sells to only one buyer and the buyer delays to pay, all the FO members' income is compromised. It is best to have multiple buyers to prevent this. In case one buyer delays to pay, members will hopefully have income from other buyers.



Activity 3: Understanding supply and demand (30 minutes)

1. Write the following key terms on a flipchart paper:
    - Demand
    - Supply
2. Ask participants to explain what they understand by the terms in relation to products and marketing. Check their answers using the definitions provided in the Facilitator's Notes below.
3. Ask participants to turn to page 23 in the Participant Handbook. Give them time to see the images and interpret them.
4. Discuss the relationship between price and supply/demand that the pictures are illustrating. Use the following questions to guide the discussion. Use the Facilitator's Notes box to check their answers.
    - Why does price go UP when demand goes UP?
    - Why does price go DOWN when demand goes DOWN?
    - Why does price go DOWN when supply goes UP?
    - Why does price go UP when supply goes DOWN?

Facilitator's notes

Supply and demand – key terms

Demand is the amount of a particular product or service which buyers are willing and able to buy. Demand for a certain product/service does not stay the same. It is constantly changing and can be affected by several factors.

Supply is the amount of a product or service that producers, traders and sellers are able to provide. Supply of a product/service can be affected by several factors.

Discussion questions

a. Why does price go UP when demand goes UP?

- Prices go up when a lot of people want to buy a product.
    - When demand is high, people are willing to pay more money for the product.
    - Sellers can raise the price and customers will still pay for it. For example, during Christmas festive season prices for products like chicken and meat increase, but people still buy them for their Christmas meals.

b. Prices go down when less people want to buy a product (demand goes down).

- Sellers lower prices to convince customers to buy products that otherwise are not selling.
- If the farmer produces what the buyers don't need, they will end up with crops that cannot be sold and they will sell them at a lower price.

c. Prices go down when there is an increased supply of a product.

- Sellers are competing to sell their products, so they lower their prices to convince customers to buy from them.
- An example of this is during maise harvest season when a lot of sellers have maise available. They must lower their prices to compete with all the other people selling maise.

Facilitator's notes

d. Prices go up when there is a decreased supply of a product.

- When a product is scarce, it often means customers are looking for it and are willing to pay a higher price when they find it.
- An example is when tomatoes are not in season so sellers can charge more for the few tomatoes that are available.

Activity 4: Practicing with supply and demand (30 minutes)

1. Explain: Now we will practice identifying when prices will go up or down, depending on changes in the demand or supply of a product.
2. Hang up a sign for 'Price Goes Up' on one side of the room. Hang up a sign for 'Price Goes Down' on a different side of the room.
3. Explain: I will read out a scenario that affected the supply or demand of a product. You must decide if you think the price of the product will go UP or DOWN as a result and walk to the appropriate sign. After everyone has chosen, I will ask someone from each side to explain their thinking.
4. Play the game with the following statements. Use the facilitator's notes box to check participants' answers.
   - Every market in Gulu has a lot of fresh beans. What will happen to the price of beans?
   - A flood cuts off the road between Mbale and Lira. Lira gets most of its coffee from Mbale. What will happen to the price of coffee in Lira?
   - Mealybugs destroyed the cassava crop in Apac District. What will happen to the price of cassava?
   - Buyers in Kitgum only had access to sunflower oil in the past. Now, farmers grow soybean, sesame, and coconut for vegetable oil production. What will happen to the price of sunflower oil?
   - A new machine for grinding groundnuts into paste has been invented in Dokolo town. The machine is cheap to buy and operate. A lot of people are now producing groundnut paste using this new technology. What will happen to the price of groundnut paste?
   - A few farmers kept their maise in a store until the maise harvesting and selling season was over. Then they brought their maise to market when there was not much maise available. What will happen to the price of their maise?
5. After the game, ask participants the following discussion questions:
   - Have supply and demand ever affected the price at which your FO could sell its products? What happened?
   - How can you mitigate the risk of fluctuating prices by working with multiple buyers?
   - What other strategies can you use to mitigate the effect of supply and demand on the price of your products?

Facilitator's notes

Supply and demand game answers

- **The price of beans will go down.** The supply is high, so customers have many options for buying beans. Sellers will have to decrease their prices to compete.
- **The price of coffee will go up.** The transportation route to get coffee to Lira has been blocked off, so the supply of coffee will decrease. This will cause customers to pay more for the coffee that does make it to Lira, as the number of people demanding it stays the same (in the short run.)
- **The price of cassava will go up.** A pest destroyed most of the crop, meaning the supply will be low. This will cause customers to pay more for the few cassava crops that did survive.
- **The price of sunflower oil will go down.** Customers now have more choice about what oil to buy, so their demand for sunflower oil has gone down. This means the price of sunflower oil must go down and try to compete with the other oil options.
- **The price of groundnut paste will go down.** More people can produce groundnut paste with the new technology, so the supply of groundnut paste has increased and forced prices to go down to compete.
- **The price of their maise will go up.** The farmers waited until the supply of maise was low. This means that people who are looking to buy maise are having a difficult time finding it and will be willing to pay more for their maise.

Key messages

- Farmers and FOs MUST know what it costs to produce one unit of their product. This informs them so they can sell their product to buyers who pay a price that ensures they make a profit and not a loss.
- FOs may sell the same product at different prices to different buyers. The selling price should depend on what the buyer is willing to spend, and the additional requirements the buyer has which may increase the production cost.
- The FO should spread risk by vetting potential customers and having multiple buyers. This ensures that if one buyer falls through, or if a buyer delays with payment, that all produce can be sold to other buyers and that farmers can be paid at least some of their money.
- FOs should understand supply and demand because then they can make decisions about their products which can increase their profits. For example, they can: 1) Grow a crop variety that fetches a higher price; 2) Decide when best to sell their crop – for example by storing it until the price goes up (although FOs must be careful because storing can also have associated costs and can incur crop losses); 3) Increase the quality of the crop so it fetches more money; 4) Grow a crop that is not readily available in their area to fetch more money; or 5) Grow crops that can easily be bought (they are demanded by customers).

Session 4:
The 5Ps of marketing

Session objectives:

- To understand the 5Ps of marketing and how they can help an FO successfully sell their products
- To appreciate the importance of good customer service and practice providing it to customers

Materials:

- Paper
- Pens/pencils

Time:

- 1 hour, 50 minutes

Activity 1: Introduction to the 5Ps (20 minutes)

1. Ask participants to turn to page 25-26 in the Participant Handbook and look at the text and images for the 5Ps of marketing.
2. Explain: These are 5 key components to think about when marketing any product. They are called the 5Ps of marketing because they all start with the letter P. They are Product, People, Price, Place, and Promotion.
3. Ask participants to explain what they see in the pictures and why they think each P is important to consider when deciding how to market a product.

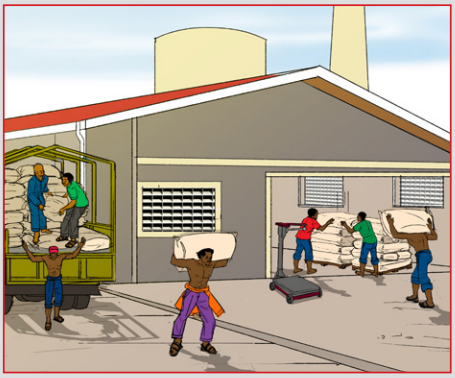
Activity 2: 5Ps of marketing story (30 minutes)

1. Ask participants to turn to page 27 in the Participant Handbook to see a case study of an FO who uses the 5Ps of marketing to sell their product.
2. Explain: I am going to read a case study about an FO that is trying to sell their product to new markets. As you listen, try to identify the 5Ps of marketing (Product, People, Price, Place, and Promotion). You can also follow along with the case study on page 27 of the Participant Handbook.
3. Read the following case study.

The Naturally Grown FO is a collective of simsim farmers in Northern Uganda. For the past few years, they have been selling their local variety simsim to small local retailers who make snacks from it, or who sell it in small quantities in their shops. However, as the Naturally Grown FO's numbers have increased, their level of production has increased, and they need to look for new markets.

One member suggests that they attend a large wholesale market in the nearest town where they can sell to wholesalers and representatives from large supermarkets who shop there in bulk. Another member suggests that they visit a snack manufacturing company in Lira, who might be interested in buying their simsim in large quantities for making snacks. They realise that if they want to sell to these types of customers, they will need to shift from growing the local variety of simsim to growing the pure white variety, since that is what these new customers will demand. They calculate that they can grow one kilo of pure white simsim at a cost of 3,000 UGX, but it is typically sold for 6,200 UGX per kilo so they decide that it will be a profitable venture.

Before they start growing the pure white simsim, a few members of the FO visit the wholesale market to find out what customers demand in terms of simsim quality, what price competitors sell it for, and how packaging should be done. When they are there, they realise that there is a shortage of quality pure white simsim in the wholesale market. They get the contacts of interested buyers and tell them that they will be bringing quality pure white simsim in the next few months. The potential buyers are happy to hear this. The FO members decide that they can sell their simsim for 6,400 UGX per kilo because the quality of their simsim is excellent compared to the competition and they believe that buyers will appreciate their quality. They return a few weeks before the harvest season with business cards and flyers advertising their products and prices to the wholesalers they spoke to before to inform them that they are ready to take orders.



Another team of FO members visits the snack manufacturing company in Lira and meets with their procurement team. In the meeting they agree on a price, delivery amount and quality standards. The Naturally Grown FO decides to give the company a 10% discount on the typical 6,400 UGX/kilo price since the company has agreed to pick up the product directly from the FO's store and to pay on the spot.

4. After reading, ask the following discussion questions. Check their answers using the information in the Facilitator's Notes box.
   a. What was naturally Grown FO's Product at the beginning? Who were their People (customers)?
   b. What Product did they choose to shift to? Why?
   c. Who are their new target People (customers)?
   d. What Places will they sell their Product?
   e. What Promotion methods do they use to sell their Product?
   f. What Prices will they sell their Product?

Facilitator's notes

Case study discussion questions

1. What was Naturally Grown FO's Product at the beginning? Who were their People (customers) at the beginning?
   - Their product was local variety simsim.
   - They sold to small local retailers who either used it to make snacks or sold it in small quantities in their shops.
2. What Product did they choose to shift to? Why?
   - They chose to shift to pure white simsim because they found out it is what bulk buyers like wholesalers and snack manufacturing companies demand instead of the local variety simsim.
3. Who are their new target People (customers)?
   - Wholesalers who buy in the nearest town
   - A large snack manufacturing company in Lira
4. What Places will they sell their Product?
   - A wholesale market in the nearest town
   - The snack manufacturing company will pick up directly from them
5. What Promotion methods do they use to sell their Product?
   - They visit the wholesale market and advertise themselves directly to potential customers. They hand out business cards and flyers to inform customers when they are ready to take orders.
   - They visit the snack manufacturing company and speak with the procurement department directly to market themselves.
6. What Prices will they sell their Product?
   - They decide to sell at 6,400 UGX to because their quality is excellent and difficult to find in the market.
   - They decide to sell at a 10% discount to the snack manufacturing company since they will pick the simsim themselves and pay immediately on receipt. This means the FO will sell each kilo at 5,760 UGX

Activity 3 Practicing excellent customer service (1 hour)

1. Explain: The "People" part of the 5Ps of marketing is especially important because without customers, you would not have a viable business. It is very important to keep relationships with customers good. This requires the FO to have good customer service.
2. Ask participants what they understand by "customer service". Check their answers using the following definition.
   - Customer service is the support you offer your customers — both before and after they buy and use your products— that helps them have an easy and enjoyable experience with you.
3. Ask: What are some of the ways that the FO currently SATISFIES customers to keep them coming back? What does the FO do WELL in terms of customer service?
4. Write each of their ideas on a flipchart.
5. Ask: What are some of the WEAKNESSES in the FO's customer service that may drive customers away? What does the FO do POORLY in terms of customer service?

6. Write each of their ideas on a flipchart. Then ask participants to brainstorm ways that the FO could remedy these weaknesses so that it has better customer service.
7. Divide participants into small groups of 3-4. Ensure that each group has at least one person who can read and write.
8. Ask groups to find the customer service scenarios on page 28-29 of their Participant Handbook.
9. Explain: In small groups, you will read a scenario and create a role play to show what the FO can do to practice GOOD CUSTOMER SERVICE and ensure that the customer is satisfied.
10. After 20 minutes of role play practice, ask different groups to present their role plays for each scenario. After each role play, ask the audience the following questions:
    - What did the FO do to ensure the customer was satisfied?
    - If you were the customer, would you return as a customer to this FO? Why or why not?
11. After all role plays, ask participants to share what they learned about the importance of good customer service.

Gender, and youth:

Highlight the importance of providing good customer service to all customers – regardless of their gender or age.

Key messages

- An FO should consider the 5Ps of marketing when thinking about how to sell their products. This can help them to understand what their customers want, the price customers are willing to pay, the places where they can sell, and how they can attract customers with promotions and advertisements.
- The FO's relationship with their customers is extremely important. Without customers, the FO does not have a viable business. The FO must practice good customer service to ensure their customers are happy and keep coming back.
- It is important that the FO owns up to any mistakes they might make with customers and builds trust with them. If something goes wrong, the FO should communicate with the customer what they will try to fix, when they will fix it by and how they will fix it. When something goes wrong and the FO fixes it, it can build an even stronger relationship with a customer.

Session 5:
Marketing plan

Session objectives:

- To consider what reputation they want their FO to have with customers/the public
- To create simple marketing plan(s) using the 5Ps of marketing for the FO's product(s)

Materials:

- Paper
- Pens/pencils
- Flipchart with the FO's core values (Created in Training Part 1, Module 3, Session 1)

Time:

- 2 hours, 30 minutes

Activity 1: Thinking about the FO's reputation (1 hour)

1. If possible, hang up the flipchart of organisational values the FO voted on in the Part 1 training (Module 3, Session 1, Activity 1). If you don't have this flipchart, ask participants to remember what core values they said they want their FO and its members to live by.
2. Explain: In Part 1 of the training, you said that you wanted the FO and its members to live by these core values. The values you hold as an organisation are closely related to the reputation your organisation has with customers and the public.
3. Ask participants what they understand by "reputation". Check their answers using the following definition.
   - A reputation is a widespread belief that someone or something has particular characteristics. It is related to how much respect or admiration someone or something receives from others.
4. Divide participants into small groups of 3-4.
5. Explain:
   - It is important to reflect on the reputation you want your FO to have, because often your reputation has a big impact on your ability to market yourself, find and keep customers.
   - As a small group, pretend that you are a customer of your FO or a member of the public. You have written a speech about the FO. What do you want them to say about the FO? How do you want them to perceive the FO? These should be positive characteristics because the FO should have a good reputation.
6. Give groups 15 minutes to plan their speeches. After 15 minutes, ask each group to present their speech to the rest of the group. On a flipchart paper, take note of the good reputation characteristics different groups name.

7. After all groups have presented, look at the list of good reputation characteristics you have compiled on the flipchart. Together, discuss three things the FO can do to work towards earning this good reputation.

Food security, greening, gender, and youth:

Highlight that it is important that the FO have a good reputation in terms of the following as well:

- Gender and Youth – the FO values its female/youth members and has female/youth leaders. It is fair and respectful of all people.
- Food Security – the FO promotes responsible farming which supports food security in the community.
- Greening – the FO is respectful of the environment and uses sustainable farming practices.

Activity 2: Creating a simple marketing plan (1 hour, 30 minutes)

1. Explain: We have learned a lot about marketing in this module. Now we are going to put our knowledge into action by creating a marketing plan for the FO's product(s).
2. Divide participants into small groups of 3-4. Ensure that each group has at least one person who can read and write.
3. Ask participants if they would prefer to focus on creating a marketing plan for only one of their products, or if they would like to make marketing plans for several of their products. If they prefer to make marketing plans for several products, decide which groups will focus on which products in their marketing plan. Each group should focus on only one product.
4. Ask participants to turn to page 30-31 of the Participant Handbook and find the Simple Marketing Plan template.
5. Explain: In groups, create a marketing plan for your assigned product. After 30 minutes, we will get together again and share our ideas.
6. After 30 minutes, bring groups back together and ask them to share their marketing plans. Try to create one, final compiled marketing plan for each product.

Key messages

- It is difficult and can take a long time to fix a poor reputation. It is better and easier to maintain a good reputation than to repair a bad one.
- An FO must maintain a good reputation to find and keep customers. It is important that the FO leadership knows what values it wants the FO and its members to live by and works to ensure that all members are aware of those values and acting accordingly.
- An FO should ensure that they have a good reputation for providing their customers with good customer service. This is an important aspect of marketing (caring about the People you are marketing to).
- FOs should create a simple marketing plan which considers each of the 5Ps. When the FO has a simple marketing plan, it becomes easier to market products because the FO knows what it is trying to sell, to whom, and how. A marketing plan should also feed into the FO's overall business plan.

MODULE 2:
Financial management and record keeping

Module introduction:

In this module, participants will learn all about good financial management and record keeping and why it is important for their FO's business to excel in these areas.

To introduce the topic, participants first consider their own budgeting practices in their personal lives. Then they learn about the importance of budgeting in the FO and how to create several budgets that an FO needs to operate successfully. They also get to understand the importance of reviewing their budgets against what happened in reality, to understand how well they managed to stick to their budgets.

Next, participants learn about a variety of financial records that their FO must keep in order to improve their understanding of their business. They learn about how important record keeping is for entrepreneurship and profit analysis. They also learn how to conduct a bank reconciliation which is helpful in detecting financial fraud.

Finally, participants consider what can happen to an FO if it does not have good financial controls and they consider what changes they want to make in their FO to ensure that they have better financial control.

Module outline:

Session 1: Financial management and budgeting

Session 2: Record keeping

Session 3: Financial controls

Module objectives:

By the end of this module, participants should be able to:

- Understand the importance of budgeting and create budgets for their FO
- Understand the importance of record keeping and keep key records for their FO
- Identify financial controls they want to implement in their own FO

Training materials needed:

- Flipchart paper
- Markers

Total time needed for module:

9 hours

Session 1:

Financial management and budgeting

Session objectives:

- To discuss participants' current personal financial management practices
- To recognise the importance of financial management in an FO
- To practice creating realistic budgets for the FO

Materials:

- Flipchart paper

Time:

- 4 hours, 50 minutes

Preparation:

- Ask participants to bring any records of their FO's income and expenses to help inform the budget discussions.

Activity 1: Financial management discussion (20 minutes)

1. Ask participants to stand up in an open area of the training room.
2. To get participants thinking and talking about personal financial management and budgeting, play the discussion game "Step Out of Line". Read the following instructions for how to play:
   - Everyone should stand in a line, shoulder to shoulder.
   - I am going to say a statement. If the statement applies to you, step out of line. I will call on a few people who stepped out of line and a few people who did not step out of line to explain their answers.
3. Read the first statement.
   - I think budgets are useful for managing my personal money.
4. Allow participants to either step out of line or remain in line to indicate if this statement applies to them or not. Then ask a few people to explain why they stepped out or did not.
5. Continue playing the game with the following statements. After reading each statement, ask a few people to explain their answers. Note: Participants can step out of line for more than one statement.
   - I have ever made a budget for my personal saving and spending.
   - I have ever made a budget for my farming business.

- I always stick to my budget.
- It's hard to stick to a budget because unexpected expenses always come up.
- I don't know how much I spend on personal expenses each month.
- I don't know how much I spend on farming expenses each month.
- I always review how much I actually spent on personal expenses at the end of the week or month.
- I always review how much I actually spent on farming expenses at the end of the week or month.

6. After playing the game, ask the following discussion questions. Use the information in the Facilitator's Notes box to support their answers.

   a. Why is it important to make a budget in your personal life? How can this help give you more financial control?

   b. Why is it important to keep track of your expenditures in your personal life? How can this help give you more financial control?

Facilitator's notes

Financial management

a. Why is it important to make a budget in your personal life? How can this help give you more financial control?

- A budget is a summary of your estimated income and expenses for a certain period of time.
- A budget is a tool used for managing our financial plans. It helps us to decide how to spend and save money so we can achieve our financial goals.
- A budget can give you more control because you decide ahead of time how much money you can spend on different things. When you reach the pre-determined maximum amount in your spending, you know that you cannot/should not spend any more. A budget can help you know what you can afford when there are many unexpected needs.
- A budget helps you stay out of debt because you live within your means and only spend what you can afford.

b. Why is it important to keep track of your expenditures in your personal life? How can this help give you more financial control?

- Setting a budget is only one piece of the financial management pussle. You also must keep track of your actual spending in real life.
- While budgeting is a planning tool, it is important to review your actual expenses and compare them to your budget to make sure you are not in danger of overspending.
- Keeping track of what you are spending gives you more financial control because you get to know where your money is going so that you can work on decreasing unnecessary expenses.

Activity 2: The importance of financial management (45 minutes)

1. Ask participants to turn to page 33-34 in the Participant Handbook to see the case study for Financial Management in the Northern Star FO.
2. Explain: I am going to read a case study about an FO. As you listen, try to identify what is happening with the financial management of the FO. You can also follow along with the case study on page 33-34 of the Participant Handbook.
3. Read the following case study.

The Northern Star FO is a farmer organisation in northern Uganda, primarily dealing in soybean and simsim. Their office and warehouse are located in a medium-sised village close to many of their members' farms. However, lately they have been struggling a bit. Since the FO does not own the office and warehouse, they must pay a rent to their landlord of about 600,000 UGX every three months. The treasurer is always scrambling to find this money since the FO does not have a budget which plans for overhead expenses like rent. Sometimes the FO is late with the rent because of this, and the landlord is starting to get frustrated with them.

Another problem the FO faces is that all their money is in one bank account and many on the leadership team have access to it. There is also no budget to say what should happen to the money in the bank account. This often causes arguing being the FO's committee chairs about which committee should get money to spend. For example, last month there was a serious argument between the chair of the marketing committee and the chair of the production committee. The marketing team had already spent a lot of money for promotional materials, but the production team was planning to use that money to buy new production equipment. The committee members argued for a long time about which was more important to spend money on. The production committee was upset that the marketing committee had just spent money without consulting other committees, even though the production committee had done something similar themselves last season.

Another problem is that the marketing committee could not produce any receipts to show what they had spent the money on. The chair of the marketing committee simply said he had withdrawn 500,000 UGX and that they had spent it on marketing materials, but he could not produce any receipts to prove this. This started another round of arguing at the meeting. During the meeting, it was also discovered that an additional 300,000 UGX had been withdrawn from the FO's bank account. The committee chairs suspected that the chairperson of the board may have been the one to do this, but no one said anything about it and the meeting eventually ended.

The following week, a member of the procurement committee came across a cheap walking tractor for sale. He thought this would be a great investment because then the FO could offer tractor services to members and non-members for a fee. His idea was quickly approved by the board and the money was transferred to buy the walking tractor.

A few months later, the walking tractor was sitting outside of the FO's warehouse. It had only been used a few times because it needed some repairs and only a few members could afford the fee the FO was charging to use it. Meanwhile, the treasurer was busy looking for money to pay the rent again and she felt bad that the walking tractor had cost so much and was just sitting there while she looked for rent money. She wasn't sure how much money the walking tractor had generated for the FO so far, so she was hesitant to say anything about it because she could not prove that the walking tractor was not very profitable.

4. After reading, ask the following discussion questions. Check their answers using the information in the Facilitator's Notes box.
   a. What is the Northern Star FO doing wrong in terms of financial management?
   b. What should be done to get better financial control in the Northern Star FO?
   c. What good financial management practices does your FO have?
   d. What bad financial management practices does your FO have? Is there anything that can done to fix these? What?

Facilitator's notes

Case study discussion questions

a. What is the Northern Star FO doing wrong in terms of financial management?

- They don't have budgets. This means they cannot plan properly for overhead expenses like rent which are routinely expected.
- The leadership team all have access to the FO's money. They don't have to get approval from each other to withdraw money.
- There is no budget to say how much money each committee can spend. This makes it difficult for different committees to plan and causes arguments.
- There is no financial accountability to prove how money was spent. People who spend money are not required to produce receipts.
- Some people just withdraw money without accountability or consequences.
- Investments are made without much thought or planning.
- There are no records to show the profitability of different investments/business ventures.

b. What should be done to get better financial control in the Northern Star FO?

- The FO needs to create budgets that everyone on the leadership team agrees to, so that money is spent in a planned way instead of haphasardly and randomly.
- The FO needs better control over the bank account. No one should just be able to withdraw money without others being aware of it. This is something they can set up with their bank.
- When money is given to someone to spend, it must be a requirement that they produce receipts to show how they spent it. Any money that is not accounted for should be the responsibility of the person who took the money, and they must pay it back to the FO if they cannot produce receipts for it.
- There must be planning, analysis and deep thinking before any major investment or money is spent. Members of the FO must take time before spending money on a new investment to analyse that it will be profitable and that it fits within their budget.
- There must be records for each individual investment/business venture to keep track of its profitability. This will help to ensure that only investments/business ventures which are profitable are maintained by the FO.

c. What good financial management practices does your FO have?

- Answers will vary.

d. What bad financial management practices does your FO have? Is there anything that can done to fix these? What?

- Answers will vary.

Activity 3: Introduction to budgets (2 hours)

1. Explain: Budgets are an important part of financial management and control in an FO. An FO should have an overall master budget to guide their spending, but the FO should first create several smaller budgets to inform the creation of the master budget. In this activity we will look at some of those smaller budgets.
2. Ask participants to turn to page 34-37 in the Participant Handbook.
3. Discuss each of the featured types of budgets. Ensure to explain:
   - The name of the type of budget
   - The purpose of the budget
   - The example of the budget
4. Ask participants what other types of budgets they have in their FO, or types of budgets they think they should have. As a group, create an example of any other types of budgets they mention.
5. Ask participants how many different products/services their FO sells. Divide participants into that many groups. For example, if the FO sells three products (i.e., soybeans, simsim and maise), then divide participants into three groups.
6. Assign each group one of the FO's products/services. Ensure that each group has at least one person who can read and write. Encourage participants to take out any records they might have of the recent real incomes and expenditures for this FO product/service that they might have brought with them.
7. Explain:
   - In your small group, you will create a Sales Budget, a Production Budget, and a Procurement Budget for your assigned product/service.
   - The budgets should be based on real numbers (if possible) and realities in this FO.
   - The purpose of this activity is to create each of the smaller budgets which can be used to create the FO's master budget in the next activity.
8. Allow groups to work on their budgets. When they are finished, bring the whole group back together and ask each group to present their budgets. Make any changes to the budgets that other groups suggest and agree on.
9. After finalising each of the Sales, Production and Procurement budgets, help the entire group make one Overheads Budget for the FO.
10. Be sure to save these budgets as they will be needed in the next activity.

Activity 4: Making an overall budget for the FO (1 hour)

1. Explain: Now that we have created each of the budgets (Sales, Production, Procurement) for each of our FO's products/services, as well as the overall Overheads Budget, we are ready to make a master budget. The importance of a master budget is so that the FO can monitor if its plans will put the FO into a surplus or a deficit. If the budget shows that it will be in a deficit (or not a satisfactory surplus), the FO can make changes to ensure there is a surplus/greater surplus.
2. Ask participants to turn to page 37-38 in the Participant Handbook. Review the example of the master budget with them. It compiles the example Sales, Production, Procurement and Overheads budget for the Paradise Farmers FO from Activity 3 (pages 34-37 of the Participant Handbook).

3. As a whole group, help participants make a master budget for their FO, using each of the Sales, Production, and Procurement Budgets (one for each of the FO's products/services) as well as the overall Overheads Budget that they created in Activity 3.
4. As a group, examine whether their FO will be in a surplus or deficit, according to their master budget.
   - If they are projecting that they will be in a surplus, is the surplus as big as they were expecting? Is there anywhere they can cut down on expenses to increase their surplus?
   - If they are projecting that they will be in a deficit, what changes do they need to make to their budget? Is there anywhere they can cut down on expenses? Is there any way they can increase their income? Should they maintain all of their planned products/services or cut any out?

Activity 5: Analysing a budget against what happened in reality (45 minutes)

1. Explain: Creating budgets is only the first step towards financial management. It is also important to routinely examine how well the FO is sticking to their budget. This requires good recordkeeping (which we will explore in the next session).
2. Divide participants into groups of 3-4. Ensure that each group has at least one person who can read and write.
3. Explain:
   - We have been looking at example budgets from the Paradise Farmer's FO in the Participant Handbook.
   - In the last activity, we looked at their overall budget for the first season of 2023.
   - Now you are going to work in small groups to compare their planned budget to what actually happened in reality.
4. Ask participants to turn to page 38-39 in the Participant Handbook.
5. Explain: Read the story describing what actually happened during the Paradise Farmers FO's season. Compare it to their planned overall budget (shown on page 38 of the Participant Handbook) and then answer the discussion questions.
6. After 15 minutes, bring all groups back together and discuss the questions together. Use the information in the facilitator's notes box to check their answers.

Facilitator’s notes

Financial management

a. What was the Paradise Farmers FO’s gross profit in reality?

Income	
Sale of soybeans	37,130,000
Other incomes	0
Total income	**37,130,000**
Direct expenses	
Soybean production expenses	5,000,000
Soybean procurement	19,700,000
Total direct expenses	**24,700,000**
Gross Profit	**12,430,000**

b. What was its total overhead expenditures in reality?

Overhead expenditure	
Salaries and allowances	420,000
Transport	1,000,000
Communication	22,500
Warehouse rental	500,000
Warehouse maintenance	100,000
Replacement of warehouse equipment	300,000
Marketing	180,000
FO Meetings	50,000
Total overhead expenditure	**2,572,500**

c. Did the Paradise Farmers FO realize the same surplus they had planned in their budget? Why or why not?

Surplus/Deficit	9,857,500

- Yes, the FO maintained their surplus and even increased it by about 2,000,000 UGX. This is because they made smart decisions with buying slightly more expensive inputs, so they produced more soybeans for sale. Even though their overhead expenses were higher than planned, they had budgeted to have enough of a surplus to be able to cover some unexpected expenses.

d. What can your FO do when budgeting to ensure that it still makes a profit despite challenges or unexpected changes that might happen in reality?

- Leave enough room in the budget to cover unexpected expenses.
- Try to plan in a way that reduces expenses as much as possible.
- Try to plan in a way that increases income as much as possible.

Key messages

- A budget is a tool used for managing our financial plans. It helps us to decide how to spend and save money so we can achieve our financial goals.
- Budgets are an important part of financial management and control in an FO. An FO should have an overall master budget to guide their spending, which is compiled after creating a series of smaller budgets.
- The importance of a master budget is so that the FO can monitor if its plans will put the FO into a surplus or a deficit. If the budget shows that it will be in a deficit (or not a satisfactory surplus), the FO can make changes to ensure there is a surplus/greater surplus.
- While budgeting is a planning tool, it is important to routinely review your actual expenses and compare them to your budget to make sure you are not in danger of overspending. This can help the FO have greater financial control because it is constantly monitoring that it is staying within the planned budget. FOs should strive to do monthly financial reporting to the board.

Session 2:

Record keeping

Session objectives:

- To recognise the importance of record keeping
- To become familiar with different types of records an FO must keep
- To understand how to do a bank reconciliation

Materials:

- Flipchart paper
- Markers

Time:

- 3 hours, 10 minutes

Preparation:

- Prepare two sets of cards. Each set should have one card with one of the following record names written on it (10 cards per set):
  - Local Purchase Order, Invoice, Requisition Note, Financial Statements, Receipt/Cash Sale, Quotation, Goods Received Note, Cashbook, Payment Voucher and Check, Delivery Note

Activity 1: The importance of record keeping (20 minutes)

1. Ask participants to stand in a circle. Stand in the circle with them.
2. Give everyone a few seconds to think of an item that is often purchased or sold by the FO and its price. For example, perhaps a delivery of packing bags cost 100,000 UGX.
3. Start the activity by saying what the FO bought or sold and the price it bought or sold it for.
   - For example, "The FO bought packing bags worth 100,000 UGX".
4. The next person should say something the FO bought or sold and the price, as well as what you said.
   - For example, "The FO sold simsim worth 5,000,000 UGX and bought packing bags worth 100,000 UGX."
5. The next person then adds an item and price to the list and repeats the previous two items and prices.
6. Continue around the circle until someone forgets an item or price from the list. The group can then start a list over again with the next person.
7. Do the exercise 2 or 3 times.

8. At the end, ask participants the following discussion questions:
   a. What do you think is the lesson from this activity?
   b. What is record keeping?
   c. When should transactions be recorded?
   d. Why is record keeping important?
   e. How is record keeping related to profit analysis?
   f. How can record keeping help an FO be more entrepreneurial?

Facilitator's notes

Record keeping discussion questions and answers

a. What do you think is the lesson from this activity?
   - Answers will vary, but participants should identify that this activity shows why keeping records is important – because it is difficult to remember everything in your head. It is much more accurate to keep good records and write everything down.

b. What is record keeping?
   - Record keeping is documenting all financial and business transactions.
   - If an FO keeps good records, it will know how much money it has received, how much it has spent and how it has spent it.

c. When should transactions be recorded?
   - IMMEDIATELY after the transaction.
   - This ensures that the transaction does not get forgotten, and the correct information is recorded.

d. Why is record keeping important?
   - Record keeping is key because you cannot keep everything in your head. An FO should not rely on their memory to keep records because memory is not good enough for planning and profit analysis. Different people also may remember different things and create conflict when there are no records to settle the dispute.
   - Record keeping keeps track of money coming in and going out of group projects, therefore preventing misuse of the money, and avoiding mistrust among group members.
   - Record keeping helps an FO be able to look at their actual records compared to their planned budget. This can help them determine if they are on the right track in terms of budget. If not, then the FO can correct itself, so it does not overspend.

e. How is record keeping related to profit analysis?
   - Profit analysis is analysing whether a business or business venture is profitable. It is calculated by subtracting the business's expenses from its income to determine if it is making a profit or a loss.
   - Records help a business know if it is profitable because it can clearly see all expenses and income, so that an accurate profit calculation can be made.
   - If a business does not keep good records of its income and expenses, it will be impossible to do an accurate profit analysis.

Facilitator's notes

Record keeping discussion questions and answers

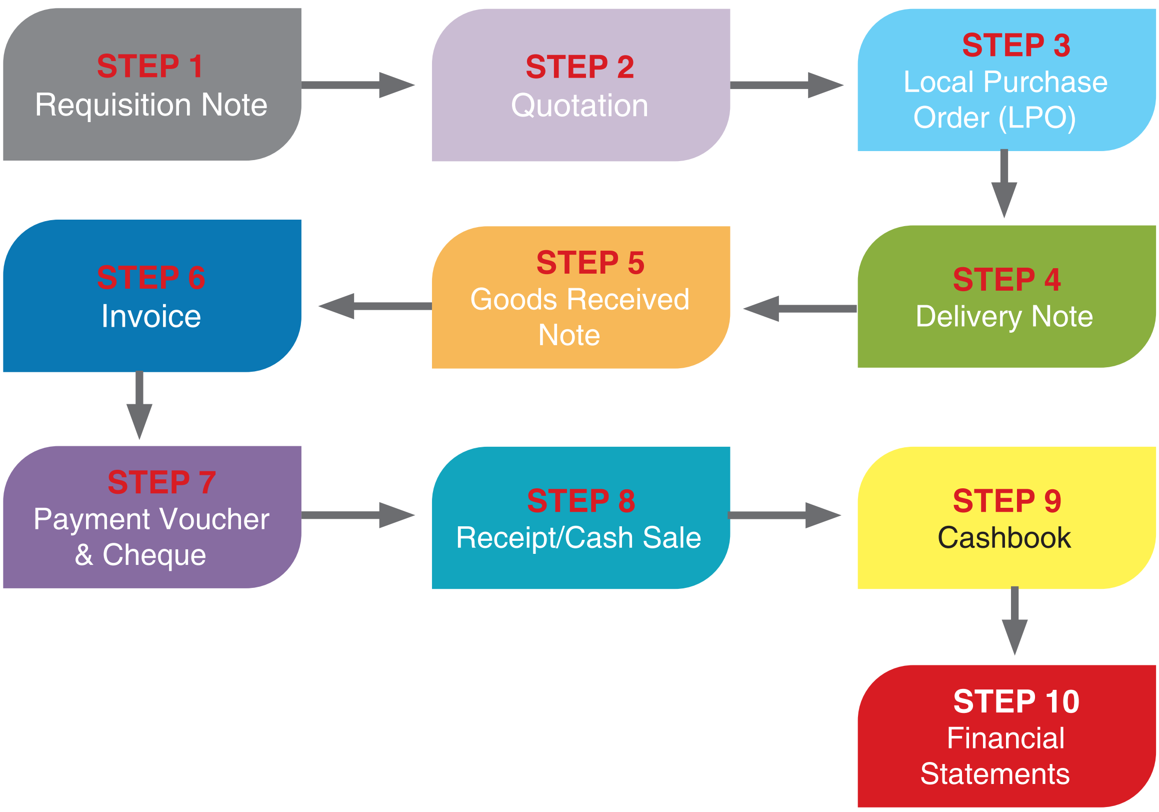
f. How can record keeping help an FO be more entrepreneurial?

- Good entrepreneurs monitor their income, expenses, and profits so they can cut out things that aren't working and expand things that are working. Records help them make good decisions that help them be more profitable.
- Record keeping helps entrepreneurs to prepare clear and accurate financial reports. This is helpful when dealing with tax authorities and investors, as well as for transparency with their own members.
- Good records help entrepreneurs to keep track of the location of their assets.

Activity 2: Introduction to financial records (1 hour)

1. Explain: Now we will explore some records which are involved in good financial record keeping for an FO.
2. Divide participants into 2 groups. Give one set of cards to each group. Each set should have one card with one of the following record names written on it (10 cards per set):
   - Local Purchase Order, Invoice, Requisition Note, Financial Statements, Receipt/Cash Sale, Quotation, Goods Received Note, Cashbook, Payment Voucher and Check, Delivery Note
3. Explain: The cards you have belong in a certain order. In your groups, organise these cards in the correct process order for good financial record keeping. Whichever team is correct and the fastest, wins.
4. After groups have organised their cards, ask them to turn to page 41 of the Participant Handbook to find a graphic showing the correct order for the cards.

Financial Record Keeping from Source to Financial Statement



5. Check which groups identified the correct order of the records. Then ask groups to explain what each type of record is used for. Use the Facilitator's Notes box to explain more about each type of record.
6. After exploring each record, ask participants if their FO keeps each of these records. If not, discuss how they can start to keep them to improve their financial record keeping practices.

Facilitator's notes

Financial records from transaction to financial statement

#	Financial record	Description
1	Requisition note	• Used when the FO wants to buy goods or services from a supplier. • Approved by chairs of the committees/the board.
2	Quotation	• Used to investigate the prices at which suppliers will provide goods or services. It is best practice to always source at least three quotations. • Contains the type of goods or services, quantities, description, and the prices offered by the supplier. • It also indicates the period during which the quoted prices will be valid. • Sometimes it is not used when amounts involved are insignificant and there is a single pre-qualified supplier of goods or services.
3	Local purchase order	• Used to express intention to buy goods after receiving quotations. • Sometimes used when paying on a credit basis with suppliers whose business has a credit arrangement with the FO. • Sometimes, it is not used when payment is on a cash basis and also when payment is made straight after receiving quotations.
4	Delivery note	• Issued by the supplier of goods upon delivery of the goods. • Shows evidence of transfer of goods. Helps show evidence that the goods have been delivered and the supplier deserves payment for the goods. • Sometimes it is not used when the FO/buyer is collecting goods from the supplier.
5	Goods received note	• Shows the goods have been received by the FO. • FO is supposed to indicate which goods are damaged or have been returned or were not delivered. • Sometimes it is not issued when the FO is the one collecting goods from the supplier.
6	Invoice	• The supplier issues it to the FO for goods or services delivered and for which payment has not been made. • Sometimes not used when payment is on cash basis or when the check is issued immediately upon delivery.
7	Receipt/Cash sale	• Used to acknowledge payment made to the supplier. • This should always be issued.

Facilitator's notes

Financial records from transaction to financial statement

#	Financial record	Description
8	Payment voucher	• It is used for preparing a check. • It is supposed to be checked and approved by people with authority and who are independent of its preparation. • All supporting documents should be stapled to the payment voucher and then properly filed. • Mostly used when payment is made through a check. • Petty cash vouchers are used for all petty cash transactions.
9	Check	• Not always used as sometimes payment is done through cash, mobile phones and online payment systems.
10	Cashbook	• Records all cash received or spent by the FO. • Used regularly each time a cash transaction is done.

Activity 3: Exploring financial records (1 hour)

1. Explain: Financial records are an important part of recording keeping in an FO. Today we are going to learn about four different types of financial records.
2. Ask participants to turn to page 43 in the Participant Handbook and look at the first example (fixed assets record). Introduce the following to participants:
   - The name of the financial record
   - The purpose and benefits of the financial record
   - An example of the financial record
3. Ask participants if they use this record in their FO.
   - If so, what do they use it for?
   - If not, why don't they use it?
4. Follow the same process to introduce and discuss each of the other three records on pages 44-46 of the Participant Handbook (cashbook, inventory record and expenses record).
5. Divide participants into 4 groups. Ensure that each group has at least one person who can read and write. Assign each group one of the four financial records you discussed.
6. Explain:
   - In your small groups, you will create either a fixed assets record, a cashbook, an inventory record, or an expenses record depending on what your group was assigned).
   - Try to create an example with sample transactions/entries that would be true for your FO. They don't have to be exact (since they are not real transactions) but try to make it as realistic as possible for the types of transactions/entries your FO would typically log in such a record.

7. Allow groups to work on their financial records. When they are finished, bring the whole group back together and ask each group to present their financial record and explain how they documented the example financial transactions in their assigned record. Allow other groups to make any suggested changes (if necessary).

8. Ask participants what other records (other than financial records) that FOs must keep, according to law. Support their answers using the information in the Facilitator's notes box below.

Facilitator's notes

Other records an FO must keep

1. **Membership records:** Cooperatives should maintain detailed records of their members, including their names, addresses, contact information, and membership status (if have they paid their share and membership fees). This helps in maintaining an updated list of members and facilitates communication.
2. **Minutes of meetings:** Cooperatives should keep minutes of their general assembly meetings, board meetings, and committee meetings. Minutes should document discussions, decisions, resolutions, and actions taken during the meetings.
3. **Bylaws and regulations:** Cooperatives must maintain copies of their bylaws, rules, and regulations. These documents outline the cooperative's purpose, governance structure, membership criteria, rights, and obligations.
4. **Registers:** Various registers need to be maintained, such as the register of members, register of directors or committee members, register of loans and borrowings, register of shares (if applicable), and register of assets and liabilities. These registers provide a comprehensive overview of the cooperative's operations.
5. **Contracts and agreements:** Copies of contracts, agreements, and legal documents entered into by the cooperative should be kept for reference and record-keeping purposes. These may include lease agreements, loan agreements, supplier contracts, or partnership agreements.
6. **Tax records:** Cooperatives must maintain tax-related records, including tax returns, tax identification documents, withholding tax records, and any other relevant tax-related documents as required by the Uganda Revenue Authority.
7. **Annual reports:** Cooperatives are typically required to prepare and maintain annual reports summarising their activities, financial performance, and achievements during the year. These reports are often shared with members, regulatory authorities, and stakeholders.
8. **Audit reports:** FOs must audit their financial records once per year, and they must keep the reports from these audits on file.

Activity 4: Records and decision-making (45 minutes)

1. Explain: Financial records are important for entrepreneurial thinking in an FO because they are tools which can assist in better decision-making. When an FO keeps and analyses financial records, they can determine which parts of their businesses are thriving and making the most profit, and which parts are not thriving and may need to change or even be eliminated.
2. Divide participants into groups of 3-4. Ensure that each group has at least one person who can read and read and write.
3. Explain:
   - In your groups, create a list of decisions that the FO has made in the past which would have been better if the FO had kept and consulted records.
   - Discuss what happened in scenarios where things went very wrong, as well as scenarios where things didn't go very wrong, but could have gone better if the FO had been informed by records.
   - Think about the different records you have just learned about, or others you know about, and how they could have helped to inform the FO's decision-making better.
4. Allow groups to discuss together for 15 minutes. Then bring all groups back together and discuss as a whole group to compare what the different groups said.
5. Make note of the scenarios they describe and the types of records that could have helped them make better decisions. Challenge the FO to put these records into place (or keep them more faithfully) over the next few months. Encourage them to write the names of each record they plan to use/use better on page 46 of the Participant Book.

Activity 5: Bank reconciliation (30 minutes)

1. Ask participants what they understand by "bank reconciliation". Check their answers using the following definition:
   - Bank reconciliation is the process of tallying the cash balance as it has been recorded in the FO's Cashbook and comparing it to the balance reflected on the FO's bank statement.
2. Explain:
   - Bank reconciliation is one of the most important internal control systems for FOs and it should be strictly adhered to.
   - Bank reconciliations can be done at any time; however, most organisations prefer to prepare bank reconciliations at the end of each month when they prepare and examine their other financial reports.
3. Ask participants to turn to page 46-49 of the Participants Handbook and find an example of a bank reconciliation and the steps taken to carry out a bank reconciliation.
4. Ask participants the following questions. Use the information in the Facilitator's notes box to check their answers.
   a. What are the benefits of bank reconciliations?
   b. Under normal circumstances, the balance in the bank account is supposed to be equal to the balance recorded in the FO's Cashbook. What factors would lead to an imbalance in records?
   c. Does your FO do bank reconciliations? If so, how have they helped the FO's financial controls? If not, why not?

Facilitator's notes

Steps in performing a bank reconciliation

1. Obtain the bank statement every month, then match the balance on the bank statement against the cashbook balance. If the two balances are equal, then do not do any further work.
2. If the two balances are different, continue with the steps below:
   - Identify unpresented checks or payments. These are payments that have been recorded in the cashbook but have not been cleared by the bank yet. These will make the bank balance be more than the cashbook balance.
   - Identify amounts that have been received by the FO, but not deposited into the bank yet. These will make the bank statement balance be less than the cashbook balance.
3. Find the adjusted bank statement balance by doing the following:
   - Subtract the unpresented checks from the balance as per the Bank Statement from the Bank.
   - Subtract any bank fees that are reflected in the bank statement but not the cashbook.
   - Then add amounts that have been received by the FO, but not yet deposited into the bank.
   - Add any bank interest that is reflected in the bank statement but not the cashbook.
4. Then compare the Adjusted Bank Statement Balance from Step 3 above to the Cashbook balance. If the two are equal (as shown in the example above), then the bank reconciliation has been successfully completed. If they are not the same, it is important to continue investigating why the balances are different (in case of fraud).
5. Bank reconciliation is done by the treasurer of the FO. After it has been done, the audit committee must endorse it to make sure that it represents the situation in the FO's records and at the bank. The chairperson of the FO's Executive committee must countersign that everyone has done their part and then the Secretary publicises it to all interested parties (FO members). If there is a management team, then the Finance Officer or Accountant is responsible for preparing the bank reconciliation while the Manager is supposed to review it. It is important to ensure that the person conducting the reviews has knowledge of bank reconciliation.

Facilitator's notes

Bank reconciliation discussion questions

a. What are the benefits of bank reconciliations?

- They help to detect fraud, especially where someone has fraudulently cashed a check that was not approved and recorded in the cashbook.
- It helps to detect errors for an amount not properly recorded in the cashbook. For example, instead of recording UGX 255,555 paid through a check to a supplier of seed, a cashbook keeper may accidentally record UGX 250,000 and the difference of UGX 5,555 can only be detected through bank reconciliation.
- It can also help to follow up on outstanding payments to the FO that have not been cleared because the payer did not have enough money in their bank account at the time the FO deposited the check, so the check could not clear at the bank. Yet the FO had already recorded the payment in the cashbook as a receipt and thinks it has that money in their bank account already.

b. Under normal circumstances, the balance in the bank account is supposed to be equal to the balance recorded in the FO's Cashbook. What factors would lead to an imbalance in records?

- An amount was received by the FO, but not deposited in the bank yet.
- Checks paid to the FO were not cleared by the bank.
- Bank charges were not captured in the cashbook.
- Interest was earned on the bank balance, but not recorded in the cashbook.
- Funds are deposited directly into the bank, but not recorded in the FO cashbook.

c. Does your FO do bank reconciliations? If so, how have they helped the FO's financial controls? If not, why not?

- Answers will vary.

Activity 6: The relationship between keeping records and creating financial statements (5 minutes)

1. Explain:
   - It is important that you start keeping financial records and other records in your FO that you have learned about in this training.
   - They will be important for helping to create financial statements, which we will cover in the third part of our training. In that part of the training, we will work on creating cashflows, income statements and balance sheets. You will learn how to create and analyse these to see how well your business is doing.
   - But to be able to compile these financial statements, you need to start keeping good records now, so you will know the actual numbers for your business later when we meet again to discuss financial statements.
2. Ask participants if they have any questions about record keeping and how it is done.

Key messages

- Record keeping is documenting all activities including financial and business transactions.
- Record keeping is an important activity in good financial management for an FO. It is also important for promoting entrepreneurial thinking because records are tools which can assist in better decision-making.
- Records help a business know if it is profitable because it can clearly see all expenses and income, so that an accurate profit calculation can be made.
- FOs should keep many different records including a Fixed Assets Record, Cashbook, an Inventory Record, and an Expenses Record.
- Bank reconciliation is the process of tallying the cash balance as it has been recorded in the FO's Cashbook and comparing it to the balance reflected on the FO's bank statement.
- Bank reconciliation is one of the most important internal control systems for FOs and can help the FO detect fraud or genuine error.

Session 3:
Financial controls

Session objectives:

- To understand the disadvantages of poor financial control in an FO
- To consider what good financial control practices their FO should adopt

Materials:

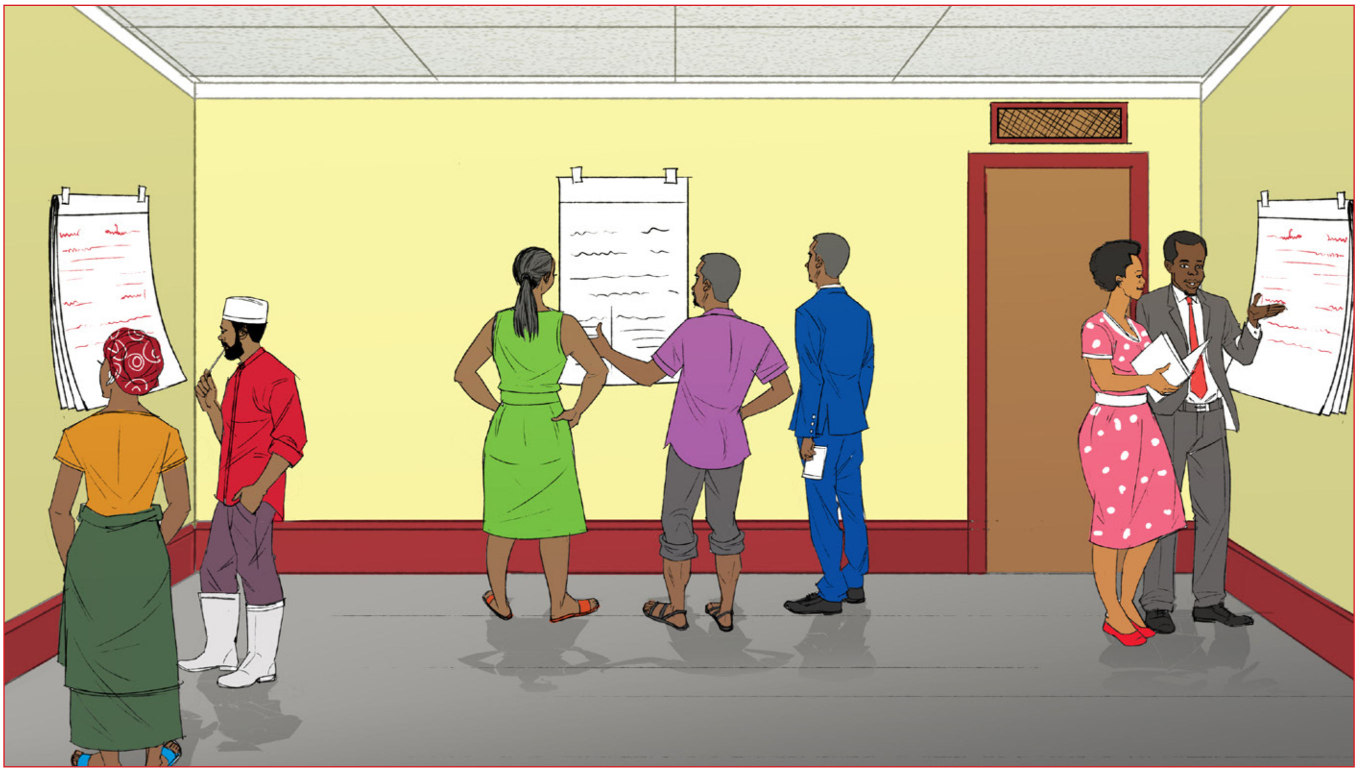
- Flipchart paper

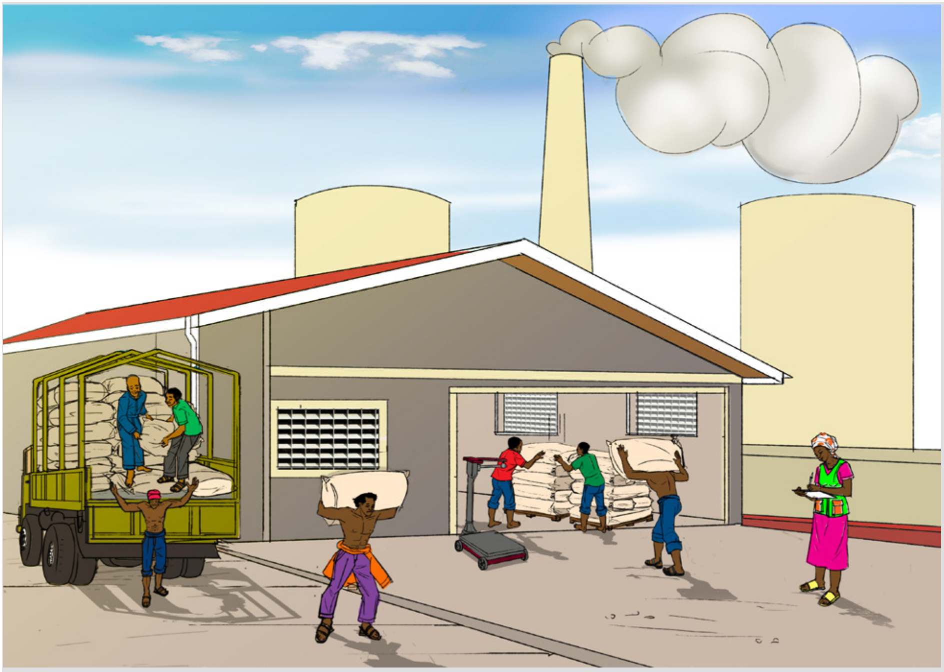
Time:

- 1 hour

Activity 1: Financial control case study (30 minutes)

1. Ask participants to turn to page 50 in the Participant Handbook.
2. Explain: I am going to read a case study about an FO. As you listen, try to identify what is happening with the financial control of the FO. You can also follow along with the case study on page 50 of the Participant Handbook.
3. Read the case study on the next page.





Gulu Millers is a farmer organisation in Northern Uganda dealing in millet. They are well known across the region for having the best millet. The FO Executive Board knows there has been an increase in the FO's client base and sales, but this additional income is not being reflected in the bank. The Executive Board decides to do an investigation to find out what is going on.

In their investigation, they found that the store manager had not been keeping receipts from each day's transactions, but rather only generating them when a client asked for one. This meant he was not keeping any record of how much millet had been sold each day.

The Board also found that at the end of the day, the store manager did not bank the cash immediately, but rather kept it in his desk drawer until the next morning. Sometimes the amount in the drawer the following morning was not the same amount as what he left there, but he would not alert anyone because he knew he would be blamed for the loss.

Sometimes one of the FO's founders comes at the end of the day and demands that the income from the day be given to him instead. He explains that he is going to deposit the money in his personal bank account, since he is one of the founding members of the FO and has the FO's best interests at heart.

In addition, because there was no petty cash system in place, a storekeeper sometimes used some of the money she collected from selling millet to buy lunch and refreshments for herself and some of her friends. She would not return the money used nor record it.

It was also discovered that the marketing committee chair was hiking the prices for some customers. He and the store manager would keep the difference between the standard price and the hiked price for themselves.

Finally, it was discovered that the finance manager would authorise payments for unknown goods and services, but then the procurement manager could not present evidence for what she had purchased with the cash which had been disbursed.

4. After reading, ask the following discussion questions. Check their answers using the information in the facilitator's notes box.

   a. What is the Gulu Millers FO doing wrong in terms of financial control?
   b. What should they do to get better financial control in their FO?
   c. What bad financial control practices does your FO have? Is there anything that can done to fix these? What?

Facilitator's notes

Case study discussion questions

a. What is the Gulu Millers FO doing wrong in terms of financial control?

- Customers are not given receipts. This likely causes the company to incur financial losses because there is no record for how much money has been received and how much millet has been sold.
- There are no financial policies in place which guide how money is handled within the FO.
  - The store manager keeps money in an unsafe place and sometimes some of it is missing.
  - A storekeeper is able to take advantage of the situation and steal some of the money for herself and her friends.
  - One of the FO's founders can demand for money and deposit in his own bank account.
- There are not enough checks and balances within the FO.
  - The marketing committee chair and store manager are able to connive together to hike prices and steal the difference in price for themselves.
  - The finance manager is able to authorise payments for false transactions without anyone checking him.

b. What should they do to get better financial control in the Gulu Millers FO?

- When customers purchase goods, they should be given receipts every time, whether the customer asks for one or not. This helps with accountability. Similarly, all transactions should be recorded in the Cashbook.
- There must be financial policies in place which guide how resources are managed within an FO.
- All financial transactions of the FO should be kept separate from the personal financial transactions of the members. A separate bank account must be opened and maintained accurately for all financial transactions.
- There should be a clear chain of command when it comes to releasing money within the FO. Different staff members should oversee handling disbursement of funds. Any money spent should be recorded and accounted for.

c. What bad financial control practices does your FO have? Is there anything that can done to fix these? What?

- Answers may vary

Activity 2: Financial controls for our FO (30 minutes)

1. Explain: From the previous activity, we have seen the consequences of not having financial controls in place. In this session, we will discuss implementing financial controls in your FO.
2. Divide participants into groups of 3-4. Make sure each group has someone who can read and write.
3. Explain: In your groups, discuss what best practices for financial control you should have in your FOs. These can be financial control practices that you have but want to improve, or they can be new financial control practices that you want to implement.
4. After 20 minutes of discussion, bring the group back together and discuss their ideas as a whole group. Use the Facilitator's Notes box below to help inspire them further.
5. Challenge participants to take up the financial controls they identified as necessary for their FO over the next few months.

Facilitator's notes

Good financial control practices

Accountability: An FO is accountable for all its administration and activities as well as the outcomes of its activities. An FO should be able to explain how its resources have been used or distributed.

Transparency: An FO should have open, clear, set, and defined policies and procedures which guide staff in executing their duties for the FO. This includes financial policies which set rules for how resources are used and managed.

Viability: FOs should ensure that their Organisations can operate within the available monetary funds and keep their outgoing and incoming funds in balance, so they are able to meet financial obligations.

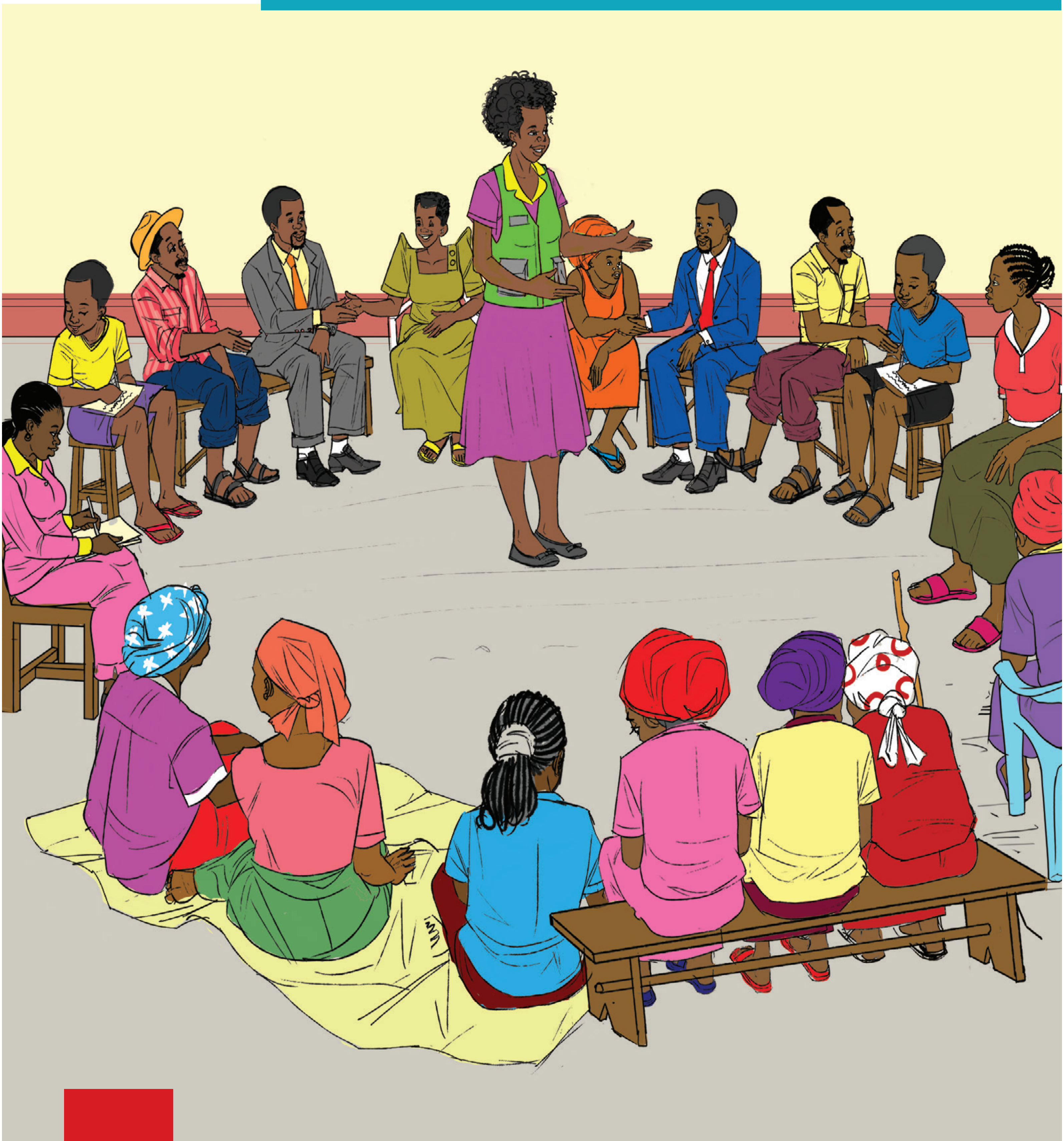
Control measures: There should be a segregation of duties within an FO, with staff members having clearly defined roles and responsibilities. Segregation of duties also means that more than one single FO staff must carry out the steps of one task. For example, guidelines could stipulate that before approval of a requisition, both a manager and a supervisor should sign off. There should also be a clear chain of command when financial decisions are being made.

Honesty and integrity: FO staff must act with integrity by acting honestly, maintaining accountability for their actions and consistently keep good financial records. Those who are found to not be honest and have integrity should be removed from their positions of responsibility.

Key messages

- Poor financial control practices can lead an FO to make significant losses in their business.
- FOs can put different financial controls in place to ensure that their business runs smoothly and is not vulnerable to financial corruption.

MODULE 3:
Business planning



Module introduction:

In this module, participants will get a significant amount of time to consider what products/services they want to offer as an FO and be a viable business. The ultimate outcome of the module will be the creation of a business plan which they can use to communicate their plans to other FO members, and potential funders, and which can serve as a guiding document for their activities.

First, participants will reflect on their progress towards their FO's goals and action plan so far, identifying what is going well and what they still need to improve on. Then they will analyse the products and services they currently offer and decide whether they are all profitable ventures for the FO. They will do this by thinking through each product/service using a template called the business model canvas.

Next, they will revisit their FO's SWOT Analysis and update it based on new knowledge and experience they have gained since Part 1 of the training. They will also update their FO's goals to ensure they are still in line with their current plans.

Next, participants will learn about the importance of creating a business plan and the different components a business plan usually includes. They will then work together to draft a business plan for their FO, including the finances needed to make it a reality and any risks they anticipate they might face in their business ventures.

Finally, they will create a new implementation (action) plan to achieve their business plan. The completion of the implementation (action) plans by the end of this module is very important as it will be a crucial document in follow-up during coaching sessions. FOs will be expected to work towards their implementation (action plans) for their business plan until they are revised in Training Part 3.

Module outline:

Session 1: Business model canvas

Session 2: Revising FO goals and SWOT analysis

Session 3: Introduction to business planning

Session 4: Creating a business plan for the FO

Session 5: Business plan financing and risk management

Session 6: Taking action

Module objectives:

By the end of this module, participants should be able to:

- Determine what products/services the FO should offer to be a profitable, viable business
- Draft a business plan for their FO and consider how its activities will be financed
- Create an implementation (action) plan for achieving the business plan

Training materials needed:

- Flipchart paper
- Markers
- Pens/pencils
- Long rope
- Green, red and yellow/orange papers or objects
- The FO's SWOT Analysis from Part 1, Module 3, Session 2 (which was written on flipchart paper and in participants' Part 1 Participant Handbooks)
- The FO's SMART goals from Part 1, Module 3, Session 4 (which was written on flipchart paper and in participants' Part 1 Participant Handbooks)

Total time needed for module:

14 hours, 55 mins

Session 1:
Business model canvas

Session objectives:

- To reflect on the successes and challenges the FO faced when working towards their goals and action plan so far
- To create a business model canvas for each product/service the FO plans to offer customers

Materials:

- Flipchart paper
- Markers
- Long rope
- Green, red and yellow/orange papers or objects

Time:

- 3 hours, 55 minutes

Activity 1: Action plan review (25 minutes)

1. Lay a long rope or string on the ground in the training room.
   - At one end of the rope, place a GREEN object or a green colored paper.
   - At the other end of the rope, place a RED object or a red colored paper.
   - In the middle of the rope, place a YELLOW/ORANGE object or a yellow/orange colored paper.
2. Explain: In Part 1 of the training, the FO set SMART goals and created an action plan for achieving them. It is an important skill for FOs to get in the habit of setting goals, creating a plan of action for achieving them, and then routinely reflecting on how progress is going.
3. Explain: We discussed briefly in the first session of this training about how you felt the FO was progressing towards its goals and action plan. Now everyone is going to reflect again using a discussion method called Human Thermometer.
4. Ask participants if they know what is meant by "thermometer". Ensure that they identify:
   - A thermometer is an instrument for measuring temperature.
5. Explain: The rope on the ground represents a thermometer. We are going to measure what "temperature" you each think the FO is at in terms of achieving its goals and action plan.
   - The RED side of the thermometer is the DANGER side. It means things are not going well with the FO's goals and action plan.
   - The GREEN side of the thermometer is the HEALTHY side. It means things are going well with the FO's goals and action plan.

- The YELLOW/ORANGE part in the middle means things are going so-so. Some things are going well, but some things could be improved.

6. Explain: Think about the SMART goals and action plan you decided as a group in Part 1 of the training. Move to a spot on the thermometer to show how you feel the FO is progressing. More towards the RED side means things are not going well. More towards the GREEN side means things are going well. Or standing somewhere in the middle between the red and the green means that things are somewhere in between.
7. Give participants a minute to think and move to a spot on the thermometer.
8. Ask several participants to share why they chose the spot on the thermometer that they did.
   - For those standing towards the GREEN side, ask them what they think is going well and why.
   - For those standing towards the RED side, ask them what they think is going wrong, why they think so, and what can be improved.
   - Ask those in the middle what things are going well and what things need improvement.
9. Explain: In this module, you are going to have a chance to think about your FO's business activities again, including goals and the action plan for achieving them. Keep in mind the things that you feel are going WELL and try to keep those going in the next action plan. Keep in mind the things that you feel are NOT going well and try to think of ways they can be improved in the future.

Activity 2: Analysing the FO's current products and services (90 minutes)

1. As a whole group, ask participants to list EACH of the different products and services their FO offers. (They should have already created a budget for each of their FO's current products and services in Module 2, so this list should be easy to create.)
2. Create a flipchart paper for EACH of the FO's current products and services. Write the name of the FO's product or service at the top of the flipchart and place the flipcharts around the room.
3. Ask participants to move to a flipchart which has an FO product/service that they know a lot about. For example:
   - Participants who are involved in the FO's simsim product should move to its flipchart.
   - Participants who are involved in the FO's tractor rental service should move to its flipchart.
4. Ensure there are at least two people at each flipchart and that at least one person can read and write.
5. Explain:
   - Pretend that your small group is a panel of judges. You must make a ruling about whether your FO should continue offering your assigned product/service.
   - Turn to page 53 in the Participant Handbook to see a list of questions you should ask yourselves before making a judgement.
   - In the end, you will make a recommendation for the FO to either keep offering the product/service or discontinue it. Ensure that you have a good justification for your recommendation.
   - Feel free to write down your ideas or draw pictures on your flipchart or in your Participant Handbook that you can use when you present your recommendation to the whole group.

Food security and greening:

Encourage participants to also think about whether the product/service is contributing to either food security or greening. If so, it might be a good reason to continue offering it as an FO (if it is a profitable venture as well).

6. After 30 minutes of small group discussion, ask everyone to come back together into a whole group again. Ask one group at a time to present their recommendation about whether the FO should keep offering the product or service or not. Allow other groups to feedback and give their opinions about the judgement.
7. After all groups have presented, ask the entire group to VOTE on whether to keep or discontinue each of the FO's current products and services. Keep a list of the products/services that they vote to keep. You will need this list for the next activity where participants will create a business model canvas for each of the approved products/services.

Activity 3: Business model canvas creation (2 hours)

1. Write each of the FO's products/services the whole group voted to move forward with during Activity 2 on different flipcharts and place them around the room.
2. Ask participants to move to a flipchart of their choice. It can be for the same product/service they discussed in Activity 2, or a different one. Ensure there are at least two people at each flipchart and that at least one person can read and write.
3. Ask participants to turn to page 53-54 in the Participant Handbook. Ask participants if anyone has ever heard of the business model canvas before.
4. Explain: The business model canvas is an approach for developing a business idea into a viable business model.
5. Take participants through each aspect of the business model canvas on page 54 of the Participant Handbook. Also use the facilitator's notes box to help you explain what it is and how to use it. Allow participants to ask questions about it.
6. Explain: In your groups, you are going to make a business model canvas for the product/service written on your flipchart. You will do this by first drawing each box of the business model canvas on your flipchart. Then, discuss the questions/prompts for each box (shown on page 54 of the Participant Handbook) and write your ideas in each box on your flipchart.

Food security, greening, gender, and youth:

Encourage participants to consider if their product/service is contributing to food security, greening, gender equality or youth engagement. These might be reasons why customers would want to buy the product/service, or it might be a unique value addition for their FO's product compared to competitor's products.

7. Give small groups 45 minutes to complete the business model canvas for their FO product/service. Then bring everyone back together to share with each other. Allow participants to suggest changes or additions to each other's business model canvases.
8. Remind participants that business model canvases should be living, changing documents which can evolve as the business idea evolves over time.
9. After everyone has presented, make a final list of all products/services the FO expects will be profitable and plans to offer. Keep the business model canvases for these final products/services in a safe place as they will be used in a later session to help make the FO's overall business plan.

Facilitator's notes

The business model canvas

What is the purpose of the business model canvas?

- It is an approach for developing a business idea into a viable business model.
- It can help an FO think through a product or service idea it wants to offer before starting to offer it to customers (or to analyse an existing product/service).

What are the components of the business model canvas?

1. **The Product/service:** The name of the product or service the FO wants to offer customers
2. **Key partners:** The partners the FO will need to build relationships with to offer the product/service
3. **Key activities:** These are all the activities the FO will need to undertake to offer the product/service. This could include production activities, packaging, buying input materials, sourcing equipment, etc. Think of all the things the FO must do to get this product/service up and running, and to continue running it.
4. **Key resources:** These are all the resources (financial, material and human) that the FO will need to offer this product/service to customers. Consider the cost of each key activity including inputs, equipment, and human labor, etc. and factor them into the resources that will be needed.
5. **Value proposition:** This is what the FO's product/service will offer to customers that its competitors are not offering. It could be higher quality, a cheaper price, or a product/service that is not available in the area yet, etc.
6. **Customer relationships:** This is how the FO plans to establish long-term relationships with clients. It could include the customer service plan and how the FO plans to maintain loyal customers.
7. **Communication channels:** These are the specific methods the FO will use to communicate with customers. It could include phone calls/texts, a website or Facebook page, emails, or mass advertisements.
8. **Customer segmentation:** These are the specific customers the FO will target for selling the product/service. They should be people who want to buy the product/service, who are willing to pay the price the FO will charge, and who will get the most value from it. These are the target customers for the product/service.
9. **Costs:** These are ALL the costs the FO needs to spend to offer the product/service to customers. It includes costs for key activities, key resources, advertising, maintaining partner relationships, etc.
10. **Revenue:** This is ALL the income the FO expects to make from selling the product/service to customers.
11. **Analysis:** This is how you decide whether it will be profitable to offer the product/service. If the revenue is higher than the costs, then the product/service should be profitable.

Key messages

- The business model canvas can be used to assess the feasibility of a business idea. It helps estimate the necessary activities and resources needed to offer the product/service, as well as the partnerships needed and communication channels to use. It also helps an FO think about who the potential customers for the product/service are.
- When developing services or products, the FO should also seek to generate value for clients (whether internal or external). It should seek to offer a product/service that customers value and are willing to pay for. These aspects are also examined in the business model canvas.
- FOs must always examine every business idea carefully and decide if the revenues it will generate will be higher than the costs needed to offer it.

Session 2:

Revising FO goals and SWOT analysis

Session objectives:

- To revise the FO's SWOT analysis since attending Part 1 of the training
- To revise the FO's SMART goals since attending Part 1 of the training

Materials:

- Flipchart paper
- The FO's SWOT analysis from Part 1, Module 3, Session 2 (which was written on flipchart paper and in participants' Part 1 Participant Handbooks)
- The FO's SMART goals from Part 1, Module 3, Session 4 (which was written on flipchart paper and in participants' Part 1 Participant Handbooks)

Time:

- 2 hours

Preparation:

- Ask participants to bring their Participant Handbook from Part 1 of the training.

Activity 1: Revising the FO's SWOT analysis (1 hour)

1. Ask participants what SWOT analysis means and why it is important for businesses to routinely analyse their SWOT. Use the Facilitator's Notes box to check their answers.
2. Ask participants what they learned the last time they did a SWOT analysis for their FO. Did they change anything in the FO after doing the SWOT?
3. Divide participants into small groups of 4-5. Ensure that each group has at least one person who can read and write.
4. Display the flipchart with the FO's final SWOT analysis, which participants created during Part 1 of the training (Module 3, Session 2). Also ask participants to turn to page 43 of the Part 1 Participant Handbook (if they brought it to the training) to see their original SWOT analysis.
5. Draw a new SWOT analysis template on a new flipchart and display it so all small groups can see it.

S(trengths)	**W**(eaknesses)
O(pportunities)	**T**(hreats)

6. Explain:
   - In Part 1 of the training, you analysed your FO's SWOT. A lot of things might have changed since the last time you did this, so it's important to reexamine the FO's SWOT now as you are about to make a business plan for the FO's business ventures.
   - You also know more about leadership, group dynamics, marketing, and financial management than you did the last time you made the SWOT, so you might have more to add to the SWOT analysis or some things to delete.
   - We will go through the FO's SWOT again today together to update it.
7. Ask participants to turn to page 55-56 of the Participant Handbook.
8. Start by reviewing the STRENGTHS participants identified before for the FO (documented on the original SWOT analysis flipchart). Allow small groups to discuss the following questions and then capture their ideas on the new SWOT analysis flipchart.
   - Do you still feel that the FO has the same strengths? If yes, which? If not, which are no longer strengths?
   - Do you feel that the FO has gained additional strengths since last time? What?
9. Repeat this process for WEAKNESSES. Discuss the following questions and update the new SWOT analysis flipchart.

- Do you still feel that the FO has the same weaknesses? If yes, which? If not, which are no longer weaknesses?
- Has the FO turned any former weaknesses into strengths? Which?
- Do you feel that the FO has additional weaknesses since last time? What?

10. Repeat this process for OPPORTUNITIES. Discuss the following questions and update the new SWOT analysis flipchart.
    - Do you still feel that the FO has the same opportunities? If yes, which? If not, which are no longer opportunities?
    - Do you feel that the FO has gained additional opportunities since last time? What?
11. Repeat this process for THREATS. Discuss the following questions and update the new SWOT analysis flipchart.
    - Do you still feel that the FO has the same threats? If yes, which? If not, which are no longer threats?
    - Have any of the FO's former threats turned into opportunities?
    - Do you feel that the FO has additional threats since last time? What?
12. Display the updated SWOT analysis flipchart. Ask literate participants to copy the FO's revised SWOT on page 56 of the Participant Handbook. They should keep it and revise it again in the future, as they feel necessary.

Facilitator's notes

SWOT analysis

SWOT stands for:

S = Strengths

W = Weaknesses

O = Opportunities

T = Threats

How can a SWOT analysis help a business?

A SWOT analysis helps you assess a business for its strengths, weaknesses as well as its potential opportunities and threats. It can help entrepreneurs/farmers to make changes within themselves or in their FO. It can also help them decide whether to make an investment or decision for the business or not. Businesses should routinely analyse their SWOT, as it may change over time.

What does each part of SWOT mean?

Strengths - Strengths are within the control of the business/FO and should be capitalised and harnessed to make weaknesses less damaging.

Example strengths for an FO may include:

- Members have technical expertise
- The leadership has managerial experience
- The FO has a good reputation with customers
- The FO handles money wisely and has strong accountancy practices
- The FO can offer a comparatively cheap price for the products it sells
- The FO offers products with unique features
- The FO offers services that members value

Facilitator's notes

SWOT analysis

Weaknesses - Weaknesses are within the control of the business/FO and should be eliminated if possible.

Example weaknesses for an FO may include:

- The FO lacks working capital
- The FO struggles to raise member fees
- The FO has a weak selling effort to find customers
- The leadership has inexperienced managers
- The FO's products are of poor quality
- The FO has weak accountancy practices and uses money unwisely
- The FO has a poor reputation with customers due to poor customer service in the past

Opportunities - Opportunities are positive or favorable factors in the environment which the business/FO should make use of or which make a new project idea potentially viable. They are, however, mostly beyond the control of the business/FO. They are different from strengths in the sense that strengths are positive internal factors of the business while opportunities are possibilities that the business/FO might not have exploited yet.

Example opportunities for an FO may include:

- There are few or weak competitors
- There are no or few similar products on the market
- Similar products offered by competitors are already making a profit
- There is currently a low interest rate on loans
- The FO's target market has a rising income
- There is a growing demand for the products the FO offers (or can offer)
- There is technical assistance available to support the FO
- There are adequate training opportunities for the FO
- The FO has access to cheap raw material/inputs
- There are favorable government policies or programs

Threats - Threats are negative or unfavorable external factors in the environment and normally beyond the control of the business/FO. They adversely affect the business/FO, if they are not eliminated or overcome. Threats differ from weaknesses in that they are beyond the control of the business/FO. The purpose of analysing threats is to look for ways to hedge against them (trying to avoid them or lessening their negative impact by making counterbalancing actions).

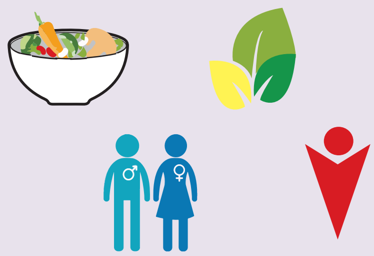
Example threats for an FO may include:

- Changing government regulations which affect the FO's business
- Poor infrastructure (roads, electricity, water)
- Government corruption
- Natural hasards/extreme weather events
- Raw material shortages
- Rising raw material costs
- Price volatility
- Too much competition

Activity 2: Refining the FO's goals (1 hour)

1. Ask participants what SMART goals are and if they can give an example of how to set a SMART goal. Use the Facilitator's Notes box to check their answers.
2. Ask participants what they learned the last time they set SMART goals for their FO.
   - Did setting SMART goals help the FO? How?
   - Did they add any other SMART goals after the training?
   - Did they find some of their SMART goals were harder to achieve than others? Why? What would they change in the future to make the goals more achievable?
3. Display the flipchart with the FO's original SMART goals, which participants created during Part 1 of the training (Module 3, Session 4). Also ask participants to turn to page 50 of the Part 1 Participant Handbook (if they brought it to the training) to see their original SMART goals.
4. Help the group revise their SMART goals (or add SMART goals) for things that are important to the FO, which they will aim to achieve within the next 6 months. These goals may be related to the business model canvases they created in the last session. Help the group set:
   - At least one **production goal** (how much the group will produce/sell of different products, etc.)
   - At least two **non-production goals** (goals for recruiting new members, fixing equipment, offering a new service, improving an existing service, making an investment, marketing, etc.)
   - At least one **social good goal** (goals that improve the well-being of members and the community, such as a food security goal, a greening goal to make the FO more environmentally friendly, a goal for establishing a social fund in the group's VSLA, a gender-equality goal in the FO or in families, etc.)
   - At least one **skills development goal** (how the FO will help to improve members' skills)
5. Write each SMART goal the FO decides on a flipchart paper and hang it at the front of the room. If participants want, they can also write down the FO's SMART goals on page 58 of their Participant Handbook.

Note: Encourage participants to set ambitious but realistic production goals. The FO's production goal should not be smaller than the combination of each member's personal production goals. Emphasise that when the FO works together, they can set a more ambitious production goal and increase their incomes faster.



Food security, greening, gender, and youth:

Emphasise the importance of setting goals related to food security, greening, gender and youth.

Facilitator's notes

Setting goals

A **goal** is something that we want to do, have or be in the future that we work to achieve.

Goals are important because they give you a sense of purpose and direction. They help you focus your hard work on something you know you want to achieve. Goals help you stay motivated. Goals can be revised and updated routinely, to keep the FO motivated and to reflect the current reality in the FO.

SMART goals

S – **Specific:** This means that the goal says exactly what you seek to achieve. It should not be unclear or very general.

M – **Measurable:** This means there is a way to measure (know) if the goal has been achieved.

A – **Achievable:** This means that the goal is possible for you to reasonably achieve, taking your available resources and time into consideration.

R – **Relevant:** This means that the goal should be relevant to the FO's overall vision.

T – **Timebound:** This means that the goal has a specific time period during which it should be achieved. An example SMART goal

An example SMART goal

SMART goal: We will increase our FO's production of oilseed by 20% within 2 seasons.

- This goal is SPECIFIC because it tells exactly what the FO wants to do – increase their oilseed production by 20%.
- This goal is MEASURABLE because it will be easy to tell if it was achieved. If the FO's production increases by 20% after 2 seasons, we will know that the goal was achieved.
- This goal is ACHIEVABLE because increasing oilseed production by 20% is a realistic goal – it is not too ambitious and it is not too easy. The time period for achieving it is also long enough that the FO must increase production by 10% each season to make it happen.
- This goal is RELEVANT because the oilseed production is something that the FO already does.
- This goal is TIMEBOUND because it tells the time period during which the goal should be achieved (2 seasons).

Key messages

- An FO should assess its strengths, weaknesses, opportunities, and threats (SWOT) often, as they may change over time.
- Understanding the FO's strengths and opportunities is important because it can help the FO to exploit them to their benefit.
- Understanding the FO's weaknesses and threats is important because it can help the FO to reduce them or eliminate them.
- Being aware of the FO's SWOT is important for goal setting because the FO can set goals which leverage their strengths and take advantage of opportunities. The FO can also set goals aimed at turning their weaknesses into strengths.
- All goals should be SMART – specific, measurable, actionable, relevant and timebound.
- FOs should set both production and non-production goals. Their production goals should be ambitious, but realistic.

Session 3:
Introduction to business planning

Session objectives:

- To recognise the importance of having a business plan as an FO
- To examine the different components of a business plan

Materials:

- Flipchart paper

Time:

- 1 hour

Activity 1: The importance of a business plan (20 minutes)

1. Ask participants to stand up in an open area.
2. Explain:
   - We are going to play a brainstorming game called "Mingle, Mingle, Discuss!".
   - In this game, participants must 'mingle' by walking around the area without talking to anyone.
   - When I yell 'DISCUSS!', you must turn to the person closest to you and discuss a question I will ask.
   - I will then call on a few participants to share their answers.
   - The game will continue like this until participants have had a chance to mingle and discuss different questions with several partners.
3. Play the game using the following questions:
   a. What is a business plan?
   b. Why should an FO have a business plan? What is its purpose?
   c. What are some components of a business plan?
4. Use the information in the Facilitator's notes box to check their understanding.

Facilitator's notes

Mingle, mingle discuss game answers

a. What is a business plan?

- A business plan is a document which explains where the business is coming from, where it is now and where it intends to go.
- A business plan is the process of reviewing a business's past and present performance and setting future goals.
- A business plan is a formal statement of business goals, reasons they are attainable, and plans for reaching them.

b. Why should an FO have a business plan? What is its purpose?

- A business plan provides a roadmap for the growth of an FO.
- A business plan can be used as a communication tool for understanding the FO's business.
- A business plan can be used for sourcing external finances/investment.
- A business plan can be used as a monitoring tool (e.g., for assessing whether the goals the FO had set have been achieved or not).
- A business plan helps the FO gain a better understanding of the market environment.
- A business plan helps to keep focus on key and priority areas of the business.

c. What are some components of a business plan for an FO?

- The background of the FO
- The products and services the FO offers
- The technical needs of the FO
- The human resources within the FO
- The finances of the FO (what the FO plans to make in profit and the money they might need to raise in investment)
- The risks the FO anticipates and how it plans to reduce/mitigate them

Activity 2: Components of a business plan (20 minutes)

1. Ask participants to turn to page 59-64 of the Participant Handbook.
2. Explain: Now that you have learned a bit about why it is important to have a business plan for your FO, you are going to work towards creating one. The first step is to understand the different components of a business plan and then you will begin to draft a business plan in the next session.
3. Take participants through each component of a business plan on pages 59-64 of the Participant Handbook. Allow participants to ask as many questions as they need because the next step will be for them to draft a business plan for their FO in the next session.

Key messages

- A business plan is a roadmap for the success of an FO.
- A business plan helps to clarify the vision and mission of the FO. It can be used as a point of reference for the FO to know what their goals are and how they are planning to do business.
- A business plan can be used to help generate external funding, and as a communication tool with both FO members and external people.
- A business plan usually consists of the background of the business; information about the products and services it offers; information about the people who work there and the technical aspects of the business; information on profitability and finances of the business; a risk management plan; and an implementation plan for achieving the business plan.

Session 4:

Creating a business plan for the FO

Session objectives:

- To draft a business plan for the FO which can be used to guide the business and source external funding

Materials:

- Flipchart paper
- Markers
- Business model canvases for the FO's products/services created in Session 1

Time:

- 3 hours

Activity 1: Drafting a business plan (3 hours)

1. Divide participants into small groups of 3-4. Ensure that each group has at least one person who can read and write.
2. Ask for a few volunteers who can read and write to join you at the front of the room to help you with documentation of the business plan. Have the business model canvases created for the FO's products/services in Session 1 on hand to refer to throughout the activity.
3. Explain:
    - We are going to work on drafting a business plan for your FO now.
    - First you will discuss what to write for each component of the business plan in a small group, and then we will share and discuss together.
    - My volunteers and I will document your ideas as you share them on a flipchart so that we have one set of compiled ideas for each component.

Food security, greening, gender, and youth:

Throughout the business planning process, encourage participants to find ways of including information about food security, greening, gender and youth (if they are relevant topics for their FO) in their business plan. These are topics that investors and lenders (as well as FO members and community members) may be interested in understanding are part of the FO's model.

4. Ask participants to look at the business plan template on page 65-67 of the Participant Handbook.
5. Ask participants to discuss in their small groups what they would write for the "Background of the FO". Encourage them to write down their ideas on paper in their groups.
6. After 10 minutes of small group discussion, ask a few groups to share their ideas. You and your volunteers should write their ideas on a flipchart at the front of the room.
7. Repeat this process of small group discussion and whole group sharing for the next four parts of the business plan template (Marketing plan; Technical aspects; Management and manpower; and Finances).
8. Explain to participants that they will work on the "Risk management" and "Implementation (action) plan" parts of the business plan during the next two training sessions.
9. Keep the flipcharts you and your volunteers created with the ideas for the FO's business plan. Encourage literate participants to copy the information from these flipcharts down as well because they will need it to compile a final, typed business plan for the FO on their own time.

Key messages

- The owners of a business are responsible for the development of their business plan.
- All members of an FO should understand the content of their FO's business plan and should be committed to its implementation.

Session 5:

Business plan financing and risk management

Session objectives:

- To revise the FO's business plan, as necessary
- To discuss how the FO plans to finance the business plan
- To analyse the FO's business risks and how to mitigate them

Materials:

- Flipchart paper
- Business plan draft created by the FO in the last session (Module 3, Session 4)

Time:

- 2 hours

Activity 1: Refining the business plan (30 minutes)

1. Display the flipcharts with the business plan draft that you created in the last session with participants.
2. Explain:
   - Last session we worked to draft a business plan for the FO. Now that you have had some time to think overnight (or for a few days/weeks), you are going to make some final revisions and suggestions.
   - We are going to use a discussion technique called "Appreciate and Improve".
   - One at a time, you will say one thing that you APPRECIATE in the business plan. It should be one element of the business plan that you like the most.
   - Then you will share one thing you think should be IMPROVED or changed. It should be one element of the business plan that you think should be revised and then give some suggestion for how to revise it (or add to it).
3. As participants are sharing their appreciate/improve thoughts, revise the draft business plan on the flipcharts.

Activity 2: Financing the business plan (45 minutes)

1. Bring participants' attention to the "Finances" part of their business plan.
   - Highlight the TOTAL financing the FO identified that they need to finance their business activities.
   - Highlight the amount of money the FO currently has to finance the plan.

- Bring out whether there is a deficit between these two numbers. Does the FO need to raise additional money to fund the business plan? How much?

2. Explain: Many FOs and other businesses create business plans with great ideas, but if there is not enough money to support the activities needed to make the business plan a reality – it will fail. It is important that as an FO, you come up with a plan for bridging the gap between what the FO currently has for funding the plan, and what it needs to fund it completely.
3. Explain: One possible method for funding the business plan is by collecting (or raising) membership fees for the FO. However, it is important that the FO has gained trust from members so that they believe the money paid will be used in the right way. The FO leadership needs to be actively doing things to gain the trust of members and ensuring they are getting value from being a member who pays fees.
4. Divide participants into small groups of 4-5. Ensure that each group has at least one person who can read and write.
5. Ask participants to turn to page 68 of the Participant Handbook and discuss the questions about financing the business plan.
6. After 15 minutes of discussion, bring participants back together and discuss each question together. Make note of their answers on the "Financing" flipchart of the business plan.

Activity 3: Anticipating risks to the business plan (45 minutes)

1. Divide participants into small groups of 3-4. Ensure that each group has at least one person who can read and write.
2. Ask for a few volunteers who can read and write to join you at the front of the room to help you with documentation.
3. Explain:
   - We are going to work on one of the last sections of the business plan – anticipating risks that the FO may face when making the business plan a reality, and mitigation strategies for reducing the possibility/impact of each risk.
   - Risk anticipation and mitigation are important aspects of any business plan because FO members and external funders will want to know that you have thought about the risks and challenges the FO may encounter and that there is a plan in place for reducing them.
   - First you will brainstorm potential risks and their mitigation strategies in a small group, and then we will share and discuss together. My volunteers and I will document your ideas as you share them on a flipchart so that we have one set of compiled ideas which can be added to the business plan.
4. Ask participants to look at the "Risk Management" section of the business plan Template on page 67 of the Participant Handbook.
5. Ask participants to discuss in their small groups what risks they anticipate the FO will face when making the business plan a reality. They can look at the example risks on page 63 of the Participant Handbook. Encourage them to write down their ideas on paper in their groups.
6. After 10 minutes of small group discussion, ask a few groups to share their ideas. You and your volunteers should write their ideas on a flipchart at the front of the room.

7. At the end, ask participants to decide on the following:
   - How frequently the business plan will be reviewed
   - The next time the business plan will be reviewed (date)
   - Who is responsible for reviewing the business plan
   - Where the business plan will be displayed so members can see it

Key messages

- A business plan is a living document. It should be reviewed and updated regularly to ensure it reflects the current intentions and plans of the FO.
- A business plan means nothing if there is not enough money available to achieve its plans. FO leadership must devise a method for funding the activities that the FO wants to achieve, either through its own revenues, membership fees, external investment, or loans.
- A critical part of the business plan is to anticipate risks that the FO may face when implementing it. FO members and potential investors/lenders will want to know that the FO has contemplated the risks and has a plan in place for reducing or mitigating each risk.
- A risk management plan should be included in the business plan and shared openly. It is not a weakness to admit risks – it is a strength to recognise them and plan how to handle them if they do arise.

Session 6:

Taking action

Session objectives:

- To create an implementation (action) plan to make the business plan a reality

Materials:

- Flipchart paper

Time:

- 3 hours

Activity 1: Implementation (action) plan creation (3 hours)

1. Explain:
   - While it is necessary for an FO to have a business plan, so it knows what it is trying to achieve, and to signal to members and potential investors that it has a solid plan in place – the business plan means nothing if it is just a document that sits on a desk somewhere.
   - The FO leadership and members must work towards achieving the business plan. The best way to do this is to create an implementation (action) plan.
   - You can use the same template for this that you used in Part 1 of the training to plan how to achieve the FO's goals.
2. Ask participants to turn to page 69-70 of the Participant Handbook.
3. Discuss with participants how they want to work on the implementation (action) plan which will be included as the last section of the business plan.
   - They may want to work on it all together. In this case, help guide them through making the plan together.
   - They may want to split into small groups and work on different aspects of the implementation plan and then come back together to discuss. In this case, let them discuss in small groups and then guide the final sharing process all together.
4. Help participants document their ideas so that they have a final copy of the implementation (action) plan which they can attach to their business plan.
5. Explain: You are responsible for working on achieving this implementation (action) plan before we meet again for Part 3 of the training!
6. Agree with them on what month they will start Part 3 of the training.

Key messages

- "Failure to plan is planning to fail". It's important for an FO to plan how they will achieve their business plan by creating and following an implementation (action) plan.
- Implementation (action) plans should be specific, realistic, include the activities which will lead to their goals and the timeframe for achievement. People should be assigned to each activity so that there is accountability.
- A business plan's implementation (action) plan needs to be reviewed regularly to ensure that it is on track. It is also a living document which should be updated and revised over time to reflect current realities.

Trainer's Guide

Deutsche Gesellschaft für
Internationale Susammenarbeit (GIZ) GmbH
Registered offices Bonn and Eschborn, Germany
Friedrich-Ebert-Allee 36 + 40
53113 Bonn, Germany
T +49 228 44 60 - 0
F +49 228 44 60 - 17 66
E info@giz.de
I www.giz.de
Dag-Hammarskjöld-Weg 1 – 5
65760 Eschborn, Germany
T +49 61 96 79 - 0
F +49 61 96 79 - 11