

Women and  
iCT

Frontier  
Initiative

---

**Managing a Business  
Using ICT**

Module W2



UNITED NATIONS  
AP*i*CT-ESCAP



# Women Entrepreneurs Track

## Module W2:

### Managing a Business Using ICT

Maria Juanita Reyes Macapagal

# Women and ICT Frontier Initiative - Women Entrepreneurs Track

This work is released under the Creative Commons Attribution 4.0 International License. To view a copy of this license, visit <http://creativecommons.org/licenses/by/4.0/>.

The opinions, figures and estimates set forth in this publication are the responsibility of the authors, and should not necessarily be considered as reflecting the views or carrying the endorsement of the United Nations.

The designations used and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

Mention of firm names and commercial products does not imply the endorsement of the United Nations.

## Contact:

United Nations Asian and Pacific Training Centre for Information  
and Communication Technology for Development (UN-APCICT/ESCAP)  
5th Floor G-Tower, 175 Art Center Daero, Yeonsu-gu,  
Incheon, Republic of Korea

Tel: +82 32 458 6650

Fax: +82 32 458 6691/2

E-mail: [info@unapcict.org](mailto:info@unapcict.org)

<http://www.unapcict.org>

Copyright © UN-APCICT/ESCAP 2016

Design and Layout: Scand-Media Corp., Ltd and Mr. Lowil Espada

Printed in: Republic of Korea

## Preface

Women's entrepreneurship is a force for positive social transformation. Most women entrepreneurs are innovative, determined to overcome obstacles and remain open to lifelong learning. Their success generates ripple effects, from increased household savings and investment in children's health and education, to boosting job creation and significant increases in national GDP.

While the Asia-Pacific region has closed some of the gender gaps in health and education, women tend to still be more excluded than men from economic opportunities, whether by restricted entry into the labour force, lower wages, vulnerability in dangerous occupations, or lower access to finance and credit.

The 2030 Agenda for Sustainable Development is our global blueprint for the economically, socially and environmentally sustainable future we want, for this and future generations. With the gender gap having changed very little for more than 20 years however, realizing this vision in Asia and the Pacific will be even more challenging. Inequalities stifle economic dynamism, undermine social cohesion and hamper environmental sustainability. Addressing persistent inequalities requires us to tackle the roots of poverty and discrimination, and to provide adequate social protection to the most vulnerable. This also requires the harnessing of science, technology and innovation, as well as leveraging the power of Information and Communication Technologies (ICTs) to increase opportunities in all spheres of development.

ICTs are valuable enabling tools for socio-economic development, social participation and empowerment, yet specific segments of the population continue to face disadvantages resulting from their lack of access and capacity to use these technologies. In order to bridge this digital divide and to help address the gender gaps which remain, the Asian and Pacific Training Centre for ICT for Development (APCICT) has developed the Women and ICT Frontier Initiative (WIFI) to support women's entrepreneurship with fundamental knowledge of business management, ICT skills and online resources. The programme also actively promotes an enabling policy environment that will specifically tackle the institutional barriers that lie in the way of women's advancement.

The WIFI modules reflect the proposition that the development of both ICT skills and entrepreneurial knowledge are critical to improving livelihoods and promoting the overall economic prosperity and well-being of women. WIFI marks a milestone in building an inclusive and sustainable future with the equal opportunities and benefits for all.

Hyeun-Suk Rhee, Ph.D.  
Director  
UN-APCICT/ESCAP

## About the Module

This module is a sequel to *Module W1: Planning a Business Using ICT*. The primary objective of this module is to introduce existing and aspiring women entrepreneurs to the set up and management of a business, and the ways in which Information and Communication Technologies (ICTs) can help in the process.

The module provides fundamental business management concepts, analytical tools and ICT applications for setting up and running a business. This module is aimed at women who are ICT literate, are using ICTs only for basic tasks (e.g. making calls, text messaging, e-mail), and are interested in using ICTs for more advanced business functions (e.g. online marketing and selling). Nevertheless, non-users of ICT can also benefit from the module. In consideration of the needs and preferences of women entrepreneurs, the module offers not only awareness and knowledge, but also suggested activities for women entrepreneurs to start applying the concepts and tools to their businesses.

The facilitators' guide at the end of the module provides suggestions on the delivery of the training to women entrepreneurs, and on the enrichment of this material in a local setting.

### Learning outcomes

Upon completion of the module, a learner will be able to:

1. Recall the connection of women's empowerment with entrepreneurship, and the use of ICTs in starting up and managing a business
2. Appreciate the linkage of women entrepreneurship with the general domain of business, specifically planning, set-up and management of an enterprise, and how ICTs can be useful in the process
3. Appreciate the significance of the entrepreneur's motivation and need for time management in pursuing a business
4. Recognize the importance of complying with government regulations and standards in business
5. Understand what a market is, and the value of preparing and doing market research in business
6. Identify and analyse the processes of resource and fund mobilization in setting up a business
7. Comprehend the different business functions in managing a business and how ICTs can be applied to facilitate these functions
8. Appreciate the value of protecting one's business in relation to legal, physical and online threats
9. Understand the importance of monitoring and evaluation of the business performance
10. Recognize the connection between monitoring and evaluation and the closing of a business

## Target Audience

Potential women entrepreneurs and women entrepreneurs at the early stage of their businesses

## Duration

12 hours on staggered basis spread out in a week - based on 2 to 3-hour daily availability of women participants

## Acknowledgements

UN-APCICT acknowledges the partners who participated in the multiple rounds of review of the training content and who provided invaluable inputs while developing this module. We thank the Pakistan Institute of ICTs for Development (PIID) and the University of the Philippines Diliman - Extension Program in Pampanga (UP Clark). UN-APCICT also acknowledges the specific contributions of Maria Juanita R. Macapagal, Faheem Hussain, Sayuri Cocco Okada, Thi Ngoc Thao Nguyen, Maria Luisa S. Concepcion, Therese Marie B. Rico, Emmy F. Iman, Mina Lyn C. Peralta, Emmanuel C. Lallana, John J. Macasio, Usha Rani Vyasulu Reddy, Maria Anthonette Velasco Allones, and Grace Gorospe Jamon who truly helped shape the module. We also thank the participants from the consultative meetings, expert group meetings, workshops, and field tests, and finally, Christine Apikul for editing the module.

# Table of Contents

Preface	i
About the Module	ii
Acknowledgements	iii
List of Acronyms	vii
I. INTRODUCTION	1
1.1. What is Module W2 about?	1
1.2. ICT use in business start-up and management	2
1.3. A walk-through case	3
II. SETTING UP YOUR BUSINESS	6
2.1. What does starting up a business entail?	8
2.2. Conducting market research to improve the business plan and implementation	17
2.3. Resource mobilization	40
III. RUNNING YOUR BUSINESS	51
3.1. Business functions	52
3.2. Protecting you and your business	62
3.3. Monitoring and evaluation	64
IV. CLOSING THE BUSINESS	66
V. SUMMARY	67
ANNEX	69

## List of Boxes

Box 1.	The case of the cookie entrepreneur	3
Box 2.	Sample of a mini-marketing questionnaire	20
Box 3.	Social media tools for promotion	37

## List of Figures

Figure 1.	Business activity cycle	7
Figure 2.	Value chain	28
Figure 3.	Separation of personal and business funds	61

## List of Tables

Table 1.	Checklist of activities for business start-up	8
Table 2.	Example of a daily time schedule	13
Table 3.	Daily and weekly time activity schedule	14
Table 4.	Analysis of results from market research	23
Table 5.	Product unique value description	25
Table 6.	Product improvement and change process	26
Table 7.	Questions for developing a unique value proposition statement	27
Table 8.	Computation of direct material costs	30
Table 9.	Computation of direct labour costs	31
Table 10.	Computation of overhead costs	32
Table 11.	Computation of total price per unit	33
Table 12.	Questions to determine place to sell	35
Table 13.	Fields for a directory of contacts	43
Table 14.	Table for online banking charges	48
Table 15.	Inventory list	53
Table 16.	Suppliers' list	53
Table 17.	Equipment and tools status list	54
Table 18.	Documentation of the production process	54
Table 19.	Cost and benefit analysis of new product options	55
Table 20.	Profit and loss projection per month	59
Table 21.	A monitoring and evaluation summary	65

### List of Icons

-  Core/Key messages
-  Reflection Questions
-  Case Study
-  Something To Do
-  Test Yourself

## List of Acronyms

<b>APCICT</b>	Asian and Pacific Training Centre for Information and Communication Technology for Development (United Nations)
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>C1</b>	WIFI Core Content – Module C1: Women’s Empowerment, SDGs and ICT
<b>C2</b>	WIFI Core Content – Module C2: Enabling Role of ICT for Women Entrepreneurs
<b>CCTV</b>	Closed Circuit Television
<b>ESCAP</b>	Economic and Social Commission for Asia and the Pacific (United Nations)
<b>FAO</b>	Food and Agriculture Organization (United Nations)
<b>ICT</b>	Information and Communication Technology
<b>ILO</b>	International Labour Organization
<b>IPR</b>	Intellectual Property Rights
<b>SCAMPER</b>	Substitution, Combination, Amplify, Minimize, Put to Other Use, Eliminate and Rearrange
<b>SDG</b>	Sustainable Development Goal
<b>SMS</b>	Short Message Service
<b>SMART</b>	Specific, Measurable, Achievable, Realistic, Time-bound Goal
<b>UN</b>	United Nations
<b>USD</b>	United States Dollar
<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNEVOC</b>	International Centre for Technical and Vocational Education and Training
<b>UN WOMEN</b>	United Nations Entity for Gender Equality and the Empowerment of Women
<b>W1</b>	WIFI Women Entrepreneurs Track – W1: Planning a Business Using ICT
<b>W2</b>	WIFI Women Entrepreneurs Track – W2: Managing a Business Using ICT
<b>WIFI</b>	Women and ICT Frontier Initiative



# I. INTRODUCTION

The Women Entrepreneurs Track – *Module W1: Planning a Business Using ICT* and *Module W2: Managing a Business Using ICT* is specifically designed for potential women entrepreneurs and those who are starting up their businesses. The modules serve as guides to women who desire to increase and improve their knowledge, skills and abilities in developing business plans and managing their businesses. The modules include case examples, exercises, and analytical tools to build and enrich women entrepreneur’s understanding of the business and its environment.

*Module W1: Planning a Business Using ICT* provides fundamental business concepts, analytical tools and basic ICT applications in business planning. This module on *Managing a Business Using ICT* is a sequel to *Module W1*. This module aims to enhance the women entrepreneurs’ understanding of the skills and knowledge, and attitudes and values in actualizing and operating business activities. Case examples and exercises using ICT applications are presented to facilitate the appreciation of the use of ICTs in managing business activities.

Specifically, the learning format will be practical and interactive, consisting of:

- » Concepts and business terminologies common to all types of businesses
- » Case examples to illustrate concepts and terminologies
- » Practical exercises and discussions that enable learners to apply the concepts to their specific businesses

## 1.1. What is Module W2 about?

The learning objectives of this module are:

- » To provide basic guidelines on starting up a business
- » To present the various aspects of business operations
- » To introduce the usefulness of ICT program applications in starting up and managing a business

The scope of the guide includes two major topics: (1) setting up your business (how to start up); and (2) running your business (how to manage the enterprise).

When you start up it means you have decided to set up your business and implement your plans that include the following: doing the market research (whether you do it yourself or you ask others) covering data on people, product, place, price and promotion; mobilizing the resources that your business requires; and ensuring compliance with national and local regulations of your business location.

Once your business is running, as the business owner and entrepreneur, you will need to manage your business; do the inventory and purchase raw materials; oversee or run the production or service; and be involved in marketing and sales, human resource management, and finance and administration.

Part of your role as business owner and entrepreneur is nurturing and protecting your business so that it will become successful. In the process of managing your business, you will need to set up criteria to measure your business progress on a regular basis, reflect on the results, and learn lessons on what worked and what did not. These reflections become part of the tools you use to make your business grow.

---

### Learning outcome

Recall the connection of women's empowerment with entrepreneurship, and the use of ICTs in starting up and managing a business

---

## 1.2. ICT use in business start-up and management

ICTs have contributed significantly to increasing access to information and improving the efficiency of businesses. In *Module W1: Planning a Business Using ICT*, ICT devices and program applications that are useful for business planning are listed and described. Similarly, ICT programs and applications useful for business start-up and management will be highlighted here.

ICT practitioners and businesses in some countries have developed local applications and local social media sites using local language that consider the socio-cultural practices of the country in relation to business promotion and selling.

Some of the ICT tools have already been mentioned in *Module W1: Planning a Business Using ICT*. Additional ICT tools that are helpful in the start-up and management of a business include:

- » Online surveys (e.g. SurveyMonkey)
- » Social media (e.g. Facebook, Twitter, Instagram, Pinterest, YouTube)
- » Inventory management tools (e.g. Skyware, Inventory Box, Brightpearl, Unleashed Software, Megaventory)
- » Databases and cloud storage
- » Online marketplaces (e.g. Alibaba)
- » Communication and collaboration tools (e.g. Google)
- » Project management tools (e.g. Project Libre)

### 1.3. A walk-through case

A walk-through case (Box 1) and examples will be used to explain the concepts and important ideas introduced in this module.

---

#### Box 1. The case of the cookie entrepreneur

---

Victoria was a stay-home mother. She was married with two children and she wanted to contribute to the household income since her husband's income just covered their bills. She wanted her family to have savings. Since Victoria knew how to bake, a skill that both her mother and grandmother taught her when she was growing up, she decided that she could sell home-made cookies to augment their income. She felt that starting her own business would enable her to schedule her baking activities around her family while earning additional cash, which she felt was an advantage over looking for a part-time job.

In order to get an idea of how other people would react to her cookies, Victoria decided to bake a batch as giveaways for her daughter's birthday. She received good responses from those who tasted the cookies. Victoria was receiving orders from her friends for their children's parties. She floated the idea of her selling the cookies and asked her friends how much she should charge for them.

The funds that Victoria used to start her business were from her family's bank savings. She and her husband invested their money in the local cooperative. She became a member of one of the microfinance institutions active in her community.

Initially, Victoria kept a record of her baking-related expenses and earnings in a notebook. However, once the orders started piling up, she had little time to keep track of whether she was actually making a profit or not. Moreover, she sometimes used the payment she received for her cookies for household expenses, but forgets to record them in the notebook. This was when Victoria realized that her business was growing and she had to run it properly. She was also growing overwhelmed by the various tasks of running a business.

She had no experience in running a business but she resolved to learn what was needed for her to become an entrepreneur, a very successful one. She knew she needed to set clear goals for what she wanted her home-made cookie business to become. In order to keep her finances in order, Victoria read up on managing business finances, took an online course on the matter, and asked entrepreneurs in her community about how they handle their business finances. She realized that she needed to find out if setting up a cookie-selling business in her area would be feasible for expansion or would it be better if she located her business in another area. She also asked around for the best places where she could get the best ingredients for the cheapest prices so she could maintain cost efficiency.

Victoria was part of a network of mothers that were active in school and community activities. She received her initial feedback from this network of mothers. She used this network to ask for information about possible places of consignment for her cookies like coffee shops, and school and hospital cafeterias. She started looking for people whom she could talk to about this. Her friends advised her to start a blog to chronicle her experiences in starting a business, and at the same time showcase her products, providing information about where the products could be bought. Along with this, Victoria was advised to use social media to reach customers and potential partners.

Victoria knew she had to identify the resources that would get her the information she needed to make sound business decisions and find business contacts, additional funding, sources of raw materials and equipment, and human resources. She had to strengthen her skills in communication, preparing business plans, and keeping her financial records in order. It was also critical that she worked on her time management and organizations skills, which would help her prioritize tasks related to her business and family.

Victoria made inquiries regarding the processes of setting up a business. She asked her friends if they knew anything about setting up a home-based business. Victoria even went to an Internet café to go online and check if there were government services that were available online on business registration. She looked up information on free online business courses to increase her knowledge in business especially in marketing, product development, business planning, licensing, food safety and branding. She also looked through videos of people baking cookies online. Victoria bought printed and digital books so she could learn more about running a business and baking cookies.

Armed with the determination of developing a business mindset and attitude that successful entrepreneurs have, Victoria is ready to start a business selling high-quality home-made cookies that are known throughout the nation.

---

## II. SETTING UP YOUR BUSINESS

---

### Learning outcomes

- » Appreciate the linkage of women entrepreneurship with the general domain of business, specifically planning, set-up and management of an enterprise, and how ICTs can be useful in the process
  - » Appreciate the significance of the entrepreneur's motivation and need for time management in pursuing a business
  - » Recognize the importance of complying with government regulations and standards in business
  - » Understand what a market is, and the value of preparing and doing market research in business
  - » Identify and analyse the processes of resource and fund mobilization in setting up a business
- 

Based on the instructions, suggestions and ideas presented in *Module W1: Planning a Business Using ICT*, you should now have a business plan. This business plan is a document in progress and it must be regularly reviewed and revised based on the progress of your business activities, the financial results of the enterprise, and other internal and external factors. Thus, there is a connection between the business plan, the start-up and the management of the business activities (see Figure 1).

**Envisioning the business.** The business plan, as mentioned earlier, provides you direction for your business - with a vision, goals, strategy and objectives. To put the business plan in motion, you need to arm yourself with more information, and make the plan more detailed to help you make sound business decisions in the start-up and in running the business.

**Planning the business.** Aside from the identification of goals and directions for the business, detailed planning about marketing, finance and logistical requirements must be laid out. The details are important to be able to provide the correct costs and pricing schemes for products and services.

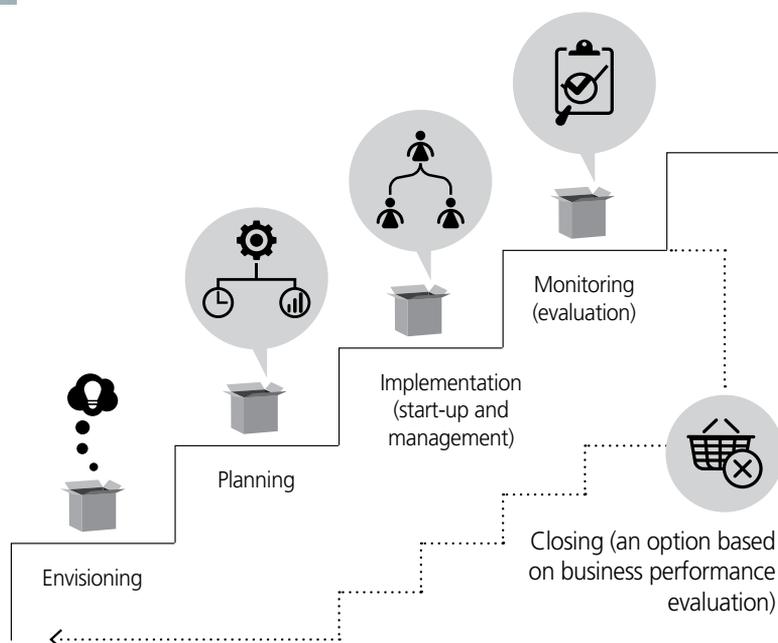
**Start-up and management.** This is the actual implementation of the business plan. The business is set up covering all the aspects required to sell the products. This includes compliance with legal requirements, and the actual launch of the business where products are sold to customers and competition takes place in the market. The entrepreneur also needs to constantly look into the detailed internal and external management of the business.

**Monitoring and evaluation.** This provides the assessment of the business performance using key indicators for measuring growth and improvement. Monitoring and evaluation provides insights on the re-direction and change of strategies for the business.

**Closing the business.** The entrepreneur may decide to close the business for various reasons. The results of the monitoring and evaluation can provide information on whether to continue or close the business.

This business cycle happens at every stage of the business. The four business stages are introduced in *Module W1: Planning a Business Using ICT*. They include the concept stage, start-up stage, growth stage and later stages. Each stage will have the cyclical process of envisioning, planning, implementation, monitoring and evaluation, and closing or continuity to proceed to the next business stages.

**Figure 1.** Business activity cycle



## 2.1. What does starting up a business entail?

A checklist below provides a list of activities for your business start-up. It also includes examples of ICTs that you can use for each activity. The checklist is not exhaustive; you may add more in the list using your word processor or spreadsheet. The checklist, however, must include fulfilling the regulatory and legal requirements in your country.

**Table 1. Checklist of activities for business start-up**

Check item when done	List of activities	Use of ICTs (device, Internet, program applications)	Schedule (Start and finish dates)	Cost for start-up	Notes
<b>Generation of business idea</b>					
	Business idea - Filter - Test	Use spreadsheet	Assess how many working days and hours to complete	Assess the cost of doing the activity	Jot down observation notes; the information may help in recall and decision-making
	Business plan - Writing plan - Revising plan	Use word processor and spreadsheet	1 week		Writing the plan need not be perfect
	Market research - Conducting research - Marketing plan	<ul style="list-style-type: none"> <li>Use word processor and spreadsheet.</li> <li>Browse web resources for secondary data</li> </ul>	2-3 weeks		The research can be made simple
	Personal plan - Time management - Create support group - Build network - Build knowledge e.g. further studies	<ul style="list-style-type: none"> <li>Use word processor and spreadsheet.</li> <li>Use search engine to find information.</li> <li>Use communication device and applications.</li> </ul>	1 week		
<b>Business name registration and other legal requirements</b>					
	List all legal requirements: village requirements, district requirements, provincial and national requirements	Use search engine to find government websites that provide information	Find out how many working days and hours to complete	Find out cost of business registration	The requirements will depend on country, district, city, village regulations on business

**Table 1.** Checklist of activities for business start-up (Continued)

Check item when done	List of activities	Use of ICTs (device, Internet, program applications)	Schedule (Start and finish dates)	Cost for start-up	Notes
	Decide on legal business structures - part of self-help group - sole trader - partner - corporation	Use search engine to find the description of each structure, as well as requirements			Set aside funds for business start-up
	Decide on the name of your business - have at least five names to choose from - make sure that there are no other businesses with the same name to avoid legal implications	Use search engine to check business names, and find out about government requirements for name registration			
	Decide on location of business for start-up	Browse property websites and business directories to identify business locations and compare cost of rent			
	Design a logo for your business	<ul style="list-style-type: none"> <li>• Use search engine to find logos of similar businesses.</li> <li>• Use drawing tools and design templates for business cards and marketing collaterals</li> </ul>			
	Register business name (and logo)	Locate government websites to find application form and registration requirements, and the possibility of registering online			
	Tax registration for business (e.g. value added tax)	Look for government websites that can provide information on requirements, and the possibility of registering online			

**Table 1. Checklist of activities for business start-up (Continued)**

Check item when done	List of activities	Use of ICTs (device, Internet, program applications)	Schedule (Start and finish dates)	Cost for start-up	Notes
	How much to spend for each requirement in business registration	<ul style="list-style-type: none"> <li>Find out if this information is available online.</li> <li>Call or send a message to the relevant government agency if information is not available online</li> </ul>			
	Other legal requirements	Use search engine to find out about other legal requirements			Get free advice from a legal and business expert
<b>Resource mobilization</b>					
	Capital build-up	Use search engine to find out about lending banks, microfinance institutions, and crowdfunding sites		Compare interest rates of lending institutions	
	Procurement of supplies and equipment	<ul style="list-style-type: none"> <li>Search for suppliers on directories and websites and compare prices.</li> <li>Call or send a message if information is not available online</li> </ul>			
<b>Finding suppliers</b>					
	List all possible suppliers for your raw materials and make a criteria for selection	Use spreadsheet to write description details of items and prices			
	Select and list suppliers	Use table or spreadsheet to create list of selected suppliers			
<b>Business finance</b>					
	Accounting, budget and cash flow system	Use spreadsheets and financial applications			
	Sales record	Use spreadsheets and financial applications			

**Table 1. Checklist of activities for business start-up (Continued)**

Check item when done	List of activities	Use of ICTs (device, Internet, program applications)	Schedule (Start and finish dates)	Cost for start-up	Notes
	Logistics	<ul style="list-style-type: none"> <li>• Use search engine to find information about logistics, transportation and storage, and their costs.</li> <li>• Call or send a message if information is not available online</li> </ul>			
	Insurance – property and life	<ul style="list-style-type: none"> <li>• Browse the different insurance websites to compare prices and benefits.</li> <li>• Call or send a message to insurance companies if information is not available online</li> </ul>			
<b>Business marketing</b>					
	Person – Customers	Use search engine to find information			
	Place	Use search engine to find information			
	Product	Use search engine to find information			
	Price	Use spreadsheets and financial applications			
	Promotion	<ul style="list-style-type: none"> <li>• Use search engine to find information.</li> <li>• Use drawing tools.</li> <li>• Communicate and test promotion ideas</li> </ul>			
<b>Selling online</b>					
	Site selection	Use search engine to find information			
	Creation of website	Use online web development tools			

**Table 1. Checklist of activities for business start-up (Continued)**

Check item when done	List of activities	Use of ICTs (device, Internet, program applications)	Schedule (Start and finish dates)	Cost for start-up	Notes
	Web domain registration and web hosting	Register for web domain names and select web hosting service			
<b>Hiring people</b>					
	List requirements, decide when needed, recruit and hire	<ul style="list-style-type: none"> <li>• Search and compare salaries.</li> <li>• Post jobs online.</li> <li>• Check potential employee's background online.</li> <li>• Use spreadsheet to record staff information</li> </ul>			
<b>Others...</b>					

Doing a detailed plan using a checklist helps you prioritize and manage your time in the implementation of your business plan.

### 2.1.1. Motivation and time availability of the entrepreneur

What is your motivation in starting up a business?

Motivation means your inner drive that pushes you to set up the business. Is it economics (to augment family income)? Is it to express a passion more freely? Is it related to a life purpose? For example, some people are driven by the need to help others. This motivation is interconnected with your business goals, strategy, and how you will implement your business activities. For example, your personal goals may include augmentation of family income to finance the higher education of children five years from now, and to provide employment for members of your extended family. Your motivation will drive you to make your business work; it has to survive and perform based on your goals and target profits.

Having you as an important person in the business, there must be an honest assessment of your most important resource—time. To get you started, prepare a simple timetable so that you can give time for your business, as well as your personal work (chores) at home.

Table 2 shows an example Victoria's daily routine.

**Table 2.** Example of a daily time schedule

Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
AM							
5:00	Wake up. Clean self	Wake up. Clean self					
5:15	Prepare breakfast	Prepare breakfast	Prepare breakfast	Prepare breakfast	Prepare breakfast	Prepare breakfast	Prepare breakfast
5:30	Wake up children. Serve breakfast	Wake up children. Serve breakfast					
6:00	Fetch water	Fetch water					
6:30	Wash dishes. Clean house	Wash dishes. Clean house					
7:00	Bring children to school	Attend to preparation of business activity	Attend to family activities				
7:30	Attend to preparation of business activity						
8:00	Do the laundry	Do the laundry	Iron dried laundry	Do the laundry	Do the laundry	Attend to children's school needs	
11:00	Pick up children						
11:30	Prepare lunch	Prepare lunch					
PM							
12:00	Serve lunch	Serve lunch					
12:30	Wash dishes	Wash dishes					
1:00	Attend to business/ sales activity	Rest or Attend to family activities					
2:00							
3:00	Go to small market	Go to big market					
3:30	Buy fresh food	Travel time to market					
4:00	Travel back						
5:00	Business stock inventory	Order and buy ingredients for business	Stock arrangement and labelling	Prepare packaging materials	Bake and pack cookies	Packing and distribution	Packing and distribution
6:00	Prepare for dinner	Prepare for dinner					
6:30	Attend to children's homework	Attend to children's homework					
7:00	Serve dinner	Serve dinner					
8:00	Attend to business/ project activity	Attend to business/ project activity					
9:00							
10:00							
11:00	Close and rest	Close and rest					



### Something To Do

Exercise: Your schedule

1. Use a spreadsheet program to recreate the schedule in Table 3, or download a calendar application that can show daily, weekly, monthly and yearly timetables (e.g. Google Calendar and Yahoo Calendar).
2. Fill in the schedule by listing all your routine activities.

**Table 3. Daily and weekly time activity schedule**

Time	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
<b>AM</b>							
5:00							
6:00							
7:00							
8:00							
9:00							
10:00							
11:00							
<b>PM</b>							
12:00							
1:00							
2:00							
3:00							
4:00							
5:00							
6:00							
7:00							
8:00							
9:00							
9:00							
10:00							
11:00							



### Something To Do (Continued)

3. Once done, assess how you use your time by answering the following questions:
  - Identify what tasks require much of your time and attention at home.
  - Identify what business activities require much of your time.
  - Are there conflicts that happen in the timing between home and business activities? Identify them.
  - How is the quality of your activities and tasks at home and in business?
  - What actions can be taken to avoid time and home conflict?
    - › What activities/tasks can be delegated?
    - › What activities/tasks require utmost attention?
  
4. After analysing the use of your time, create a new calendar where you consider ways to reduce or increase time for personal versus business activities.

The exercise can make you realize how you make use of your time, and how you can manage your daily activities more efficiently to give room to important matters in your life and attain a balance between work and personal matters (sometimes called “work-life balance”).

## 2.1.2. Complying with national and local regulations

An entrepreneur must understand the legal and regulatory requirements in setting up and maintaining small businesses. Each country have different laws, policies and requirements.

The entrepreneur must be able to meet these requirements such as contracts, permits, business taxation requirements and intellectual property, to name a few.

For example, some countries require the following in setting up a formal business:

- » Business name registration at the trade and industry agency to check for similar names to avoid duplication and violations in intellectual property rights; the process can take a day.
- » Business registration or application for business permit to operate at the village, municipal or city level; the process can take 15 days if the agency does not have computerized systems.
- » Tax registration for the business, payment of taxes depending on the income derived from the business, and filing of annual income tax returns. These processes can take a day or two depending on the business type.
- » Health registration if the business is related to food, water or medicines (drugs); this can take a day or more depending on the business.
- » Other requirements depending on the business types (i.e., individual-owned, cooperative venture, corporation or partnership).



### Something To Do

#### Use of ICT tools

Use a search engine to find out about the requirements for setting up a business in your country. The information can usually be obtained from government websites (e.g. Ministry of Trade and Industry, Cooperative Development Authority, local government websites).

On a word processor or spreadsheet, create a checklist of requirements that you must comply with as a business owner. In addition, create a schedule of activities for setting up your business.

## 2.2. Conducting market research to improve the business plan and implementation

*Module W1: Planning a Business Using ICT* looked at how to plan your marketing strategy by identifying your customers and competitors. Here, you can find out more about conducting market research to improve your business plan and implementation.

### 2.2.1. What is a “market” in business terms?

A market is any place where sellers and buyers meet directly or indirectly to trade products or services.<sup>1</sup> Direct means the exchange of product or service and payment happens in an actual place. It can be indirect through the use of intermediaries or other sales persons. The trading of goods and services can happen in a wet or dry market, a street shop or on a website. But market in business terms also includes ways to determine price of the product or service, communicating the price information, facilitating deals and transactions, and effecting distribution.

The market for a particular item is made up of existing potential customers who need it and have the ability and willingness to pay for it. It also includes other competition that is in a similar business.<sup>2</sup>

As an entrepreneur, you must learn about marketing, which is about identifying the needs and wants of customers, and satisfying them at a profit. To know the market is to know the demand side (customers, their needs, their income level), and the supply side (competitors, their offer, their sales strategies).<sup>3</sup>

Marketing (the process of managing your market) must be a focus of the entrepreneur, and a marketing plan must be a regular part of business planning and review of business plans.

1 BBC, “Market Research”. Available from <http://www.bbc.co.uk/schools/gcsebitesize/business/marketing/marketresearchrev1.shtml>.

2 BusinessDictionary.com, “Market”. Available from <http://www.businessdictionary.com/definition/market.html#ixzz41eLEDD9x>.

3 International Labour Organization, *Gender and Entrepreneurship Together: GET Ahead for Women in Enterprise – Training Package and Resource Kit* (Bangkok, Berlin and Geneva, 2004). Available from [http://www.ilo.org/wcmsp5/groups/public/-ed\\_emp/-emp\\_ent/documents/publication/wcms\\_116100.pdf](http://www.ilo.org/wcmsp5/groups/public/-ed_emp/-emp_ent/documents/publication/wcms_116100.pdf).

There are five Ps to bear in mind in marketing:

- » **People** – Who are your target customers? Who will buy your products or services?
- » **Product** – What items will you sell that will best meet the needs of your target market? How is your product different from others currently offered by competitors? What is the quality of your product? Is the packaging budget or high-end? Do you offer added services? What does your product look like?
- » **Price** – For your product or service, what amount is reasonable for your target market? Is your product priced at the low or high end of the current market offering? Will you offer discounts? What will be the payment terms? Is your price reflective of the product's quality?
- » **Place** – How does the products get to your customer? Where and how will your customers be able to buy or receive your products or services? Will you hold inventory or stock? What is your ordering process? In what places can your products be found? Can your products be found online?
- » **Promotion** – How will your customers know or be aware of your products or services? How will you communicate to your customers about your products and services? Will you place an advertisement, distribute flyers, do special promotions, attend events? Will you have a website and use social media to promote your products or services?

### 2.2.2. What is market research?

Market research is the activity of finding, gathering, analysing and interpreting information about a market, about a product or service that will be offered for sale in the market, about the competitors that you will encounter, and about potential customers. On the latter, this involves learning about potential customers' characteristics, spending habits, their location and their needs.<sup>4</sup>

---

<sup>4</sup> Entrepreneur Media, "Small Business Encyclopedia: Market Research". Available from <https://www.entrepreneur.com/encyclopedia/market-research>.

As an entrepreneur, you must understand the behaviour of the market. This is because of the competition that goes with it. Running your business without conducting market research may give your competitors an edge over your business.<sup>5</sup>

**What are the benefits of a marketing study?** Marketing research can make you see a picture of your customers buying your products and services that will bring profit from the business. It can tell you whether your products or services are satisfying the needs and expectations of your customers. The study can also help you decide whether your product packaging and delivery method need changes, and if you need to offer additional products and services.

The results of the market research will provide you with sound information for your marketing plan. It can also measure the level of success of your business. But to get these results, you must ask the right question the right way to the right people; this is vital to good market research.

**How is market research done?** Conduct **primary research** of current and potential customers, and of your competitors. The primary research can include: interviews (face-to-face or by phone), survey questionnaires (online or by mail), and focus group discussions. Make sure that the people you collect information from are not only limited to your family and friends. You should collect information from at least 30 people to get good results.

In the case example, Victoria provided sample cookies to her friends as a way for her to gather their opinion about the product that she will be putting out. Her friends gave their input on her cookies' taste, look and texture. Victoria's friends also provided her with ideas on how best to package the cookies and sell them.

Important questions in your research will include the market aspects, the five Ps in particular. Questions must be simple. Victoria's mini-marketing questionnaire is shown in Box 2.

---

5 Lesley Spencer Pyle, "How to Do Market Research - The Basics", *Entrepreneur Media*, 23 September 2010. Available from <https://www.entrepreneur.com/article/217345>.

---

## Box 2. Sample of a mini-marketing questionnaire

---

Date of Survey: \_\_\_\_\_

### 1. Personal Profile

- Age (group) \_\_\_\_\_
- Sex \_\_\_\_\_
- Place of residence \_\_\_\_\_
- Mobile no. \_\_\_\_\_
- e-mail address: \_\_\_\_\_

### 2. Market Information

#### 2.1. How often do you buy cookies here?

- | Please tick | Frequency    | Please tick | Frequency                 |
|-------------|--------------|-------------|---------------------------|
| ___         | Once a day   | ___         | More than once a day      |
| ___         | Once a week  | ___         | More than once in a week  |
| ___         | Once a month | ___         | More than once in a month |
| ___         | Others       |             |                           |

#### 2.2. How much do you usually spend for cookies? \_\_\_\_\_

#### 2.3. Which times of the day do you usually buy cookies?

- Morning \_\_\_\_\_
- Lunch time \_\_\_\_\_
- Afternoon \_\_\_\_\_
- Evening \_\_\_\_\_

#### 2.4. Which of the following is important to you when you buy your cookies?

- \_\_\_ Price (Cost)
- \_\_\_ Whether the cookie has nutritional value or not?
- \_\_\_ Wide range of different types of cookies?
- \_\_\_ Whether the cookie can be shared or not?
- \_\_\_ Whether the cookie can be given as a gift or not?
- \_\_\_ Others: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

### 3. Product information

#### 3.1. What kind of cookie do you like?

- Less butter and less sugar
- With butter and sugar
- With fruits and nuts
- With chocolate
- With colourful design
- Others: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### 3.2. What cookie size do you prefer?

- Large
- Regular
- Small
- Bite size
- Others: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### 4. Where do you usually buy your cookies? And why?

---

---

---

---

---

In the case example, Victoria interviewed her potential customers under the guise of giving them sample cookies. She gathered initial feedback from them about what can be improved in her cookies and what can be retained. She also have gathered potential ideas for future product development like possible cookie flavours, and expanding her product line to include cupcakes, macaroons and cakes.



## Something To Do

### Create an online survey

Use SurveyMonkey.com to create a simple online survey for your market research, and then invite others in the training course to complete the survey that you created. You can do so by sending the link to the survey by e-mail or by posting the link on a social media site. Check the results of your survey on SurveyMonkey.com.

Find out more about how to create an online survey on SurveyMonkey.com at <https://www.surveymonkey.com/mp/how-to-create-surveys/>. The benefit of using SurveyMonkey.com is that the results are automatically organized and tabulated for you. The drawback is that your target survey participants may not have access to a computer or mobile device and to the Internet to complete the survey.

In addition to primary research, use secondary research to analyse data on your customers and competitors that has already been published. Through secondary research, you may be able to find information on customers' demographic profiles, lifestyles and behaviour patterns. You may also find out about your competitors' profile, strategies and plans. Secondary data helps give a larger picture of your market group.

Secondary research includes use of resources that you can find at the local library, college campus or government agencies. You can also search the web for information.



## Something To Do

### Conduct secondary research on your customers and competitors

Find out about your customers and competitors by doing an online search. Study the products of your competitors and observe how they present their products through their commercials and visuals. Share your secondary research experience and findings with others.

Other questions to consider about your customers and competitors are:

- » **What kind of ICT tools do your customers and competitors use?** For those who plan to sell their products and services online, this question will apply.
- » **What per cent of the market will you penetrate or target?** This asks for the portion of the total number of potential customers that you will target. For example, if you have 1,000 potential customers and after careful research you were able to know that all your competitors are getting 70 per cent of the customers. There is still a remaining 30 per cent that you can penetrate or target.

After conducting the survey, Victoria analyses the results in Table 4.

**Table 4.** Analysis of results from market research

Victoria's Home-style Baked Cookies	
Questions	Results
<i>Describe the profile of your customer</i>	
Age (or age group):	Mothers with toddlers and school age children
Sex:	Female
How many in a family:	3-5 people
Annual family income:	At least USD 5,000
Location: Where is your market?	City and suburbs
Buying patterns: What kind of products and services do they like to purchase?	<ul style="list-style-type: none"> <li>• They are busy mothers and usually need to have accessible products in the local bakery and supermarket</li> <li>• They want their children to have the best</li> <li>• They want to buy gifts for their children's school friends and teachers</li> <li>• They want to have good rapport with their extended families especially during special occasions</li> </ul>
Reason to buy from you: What could be a good reason for them to buy my products or services?	<ul style="list-style-type: none"> <li>• Nutritious (with dried fruits and nuts, and less sugar)</li> <li>• Colourful and fun for children</li> <li>• A gift that can be customized</li> </ul>
Geographically describe your trading area: (i.e. local, provincial, national, and international)	Local and provincial
Do your customers have e-mail addresses? Do they buy online?	<ul style="list-style-type: none"> <li>• Less than 10</li> <li>• Very few have tried buying online</li> </ul>
How large is the market?	Half a million
What could be the benchmark to indicate that your market is growing (G), steady (S) or decreasing (D)?	<ul style="list-style-type: none"> <li>• G: USD 10,000</li> <li>• S: USD 5,000</li> <li>• D: USD 2,000</li> </ul>

**Table 4. Analysis of results from market research (Continued)**

Victoria's Home-style Baked Cookies	
Questions	Results
<i>Who is your competition?</i>	
Who are the nearest ones? List names, addresses, and products and services	<ul style="list-style-type: none"> <li>• Local bakeshops in the community and the province (addresses listed in directories)</li> <li>• Commercial biscuits and cookies sold in supermarkets</li> </ul>
How are their businesses similar or competitive to yours? Different from yours?	Similarities: <ul style="list-style-type: none"> <li>• Product appearance and size</li> <li>• Cheaper</li> </ul> Differences: <ul style="list-style-type: none"> <li>• Nutritional value</li> <li>• Tastes</li> <li>• Packaging</li> </ul>
What do the customers not like in their products and services? Are customers complaining about any specific issue?	<ul style="list-style-type: none"> <li>• Not nutritious or attractive enough</li> <li>• Does not taste good</li> <li>• Not much of a gift item</li> </ul>
What will the customers prefer in your product? Do you have a unique "niche"? Describe it.	<ul style="list-style-type: none"> <li>• The special taste</li> <li>• The nutritious value of the product</li> <li>• It can be used as gifts for friends and families</li> <li>• It can be an alternative snack</li> </ul>
How will your service or product be better or more saleable than your competitors?	<ul style="list-style-type: none"> <li>• Personal approach since it is home-baked and fresh</li> <li>• More family-oriented – can be shared</li> <li>• Gift idea</li> </ul>
Are your competitors' businesses growing, stable or declining? Why?	<ul style="list-style-type: none"> <li>• Stable because these businesses have been there for a long time now</li> </ul>
What can be learned from observing their operations and/or talking to their present or former customers?	<ul style="list-style-type: none"> <li>• Their operations are larger than this business</li> <li>• Higher frequency of product use</li> <li>• Strategic location and availability of goods</li> </ul>

### 2.2.3. Product: What is your competitive advantage and unique value proposition

After “People”, the second P in marketing is “Product”. Why must a customer need your product or service? What value does your product or service offer? How do you develop a unique value proposition?

A value proposition is an analysis or statement about the goods and services offered by an entrepreneur to his/her customers in exchange for payment.<sup>6</sup>

**What is the unique value proposition of Victoria’s business?** Victoria plans to make her products unique and a little higher above the rest of her competitors in terms of quality, appearance and nutritional value. Her target is to have a healthy (nutritious) cookie not only as snack food but also as a gift item. After the market research, Victoria looked into the unique value of her product (see Table 5). She then went online to find out more about gluten-free and organic variations of cookies, and how to make them. She also did a search on resealable and reusable packaging.

**Table 5.** Product unique value description

	Victoria’s Home-style Baked Cookies
Price	The price is a little bit higher than the local bakeshop and the commercial products
Size, weight or colour	Comparable to the size of imported cookie products
Appearance	Round or square with fruits and nuts and colourful designs
Location – accessibility	Home-based but can be made available for display at family-oriented restaurants or leisure parks
Others (e.g. If food items, consider nutritional value and availability; if machines or software products, consider performance, speed, and ease of operation, maintenance and installation)	<ul style="list-style-type: none"> <li>• Nutritional value</li> <li>• Baked fresh</li> <li>• Can be customized for special occasions</li> </ul>

Victoria applied the SCAMPER model in the improvement of her product (see Table 6).

<sup>6</sup> BusinessDictionary.com, “Value Proposition”. Available from <http://www.businessdictionary.com/definition/value-proposition.html#ixzz41fOlos5p>.

**Table 6.** Product improvement and change process

Factor for change	Change process	Example
Substitution	Replace one or several components of the product	Sugar substitution (replace refined sugar with brown or raw sugar)
Combination	Merge one or several elements of the product	Use of local and imported raw materials
Amplify	Enlarge or make the product more sophisticated	Add gluten-free and more organic ingredients
Minimize	Make the product more simple	Use of biodegradable materials for packaging
Put to other use	Use the product for different purpose	Product as a gift item and for customized occasions, e.g. wedding souvenirs
Eliminate	Delete unnecessary parts	Take out the non-biodegradable materials in the packaging
Re-arrange	Revise the order of the elements contained in the product	Not applicable

For more information on the SCAMPER Model, see *Module W1*.



### Something To Do

#### **What is your unique value proposition?**

What is your products' or services' competitive advantage (or disadvantage)? By answering the questions in Table 7, you will get an idea of how to develop a unique value proposition statement.

**Table 7.** Questions for developing a unique value proposition statement

Customers	Intermediaries distributing your products/services	Competitors	Online trend
<ul style="list-style-type: none"> <li>• Why do your target customers need your products/services?</li> <li>• What would convince your target customers to buy your products or use your services?</li> </ul>	<ul style="list-style-type: none"> <li>• What is the reputation of your potential intermediaries/ consignees? Is it positive?</li> <li>• What type of products/services are they known to provide?</li> </ul>	<ul style="list-style-type: none"> <li>• How are your competitors marketing and packaging their products/services?</li> <li>• How can your products/services be better than what they are offering?</li> </ul>	<ul style="list-style-type: none"> <li>• Concerning your product, what is currently trending online?</li> </ul>

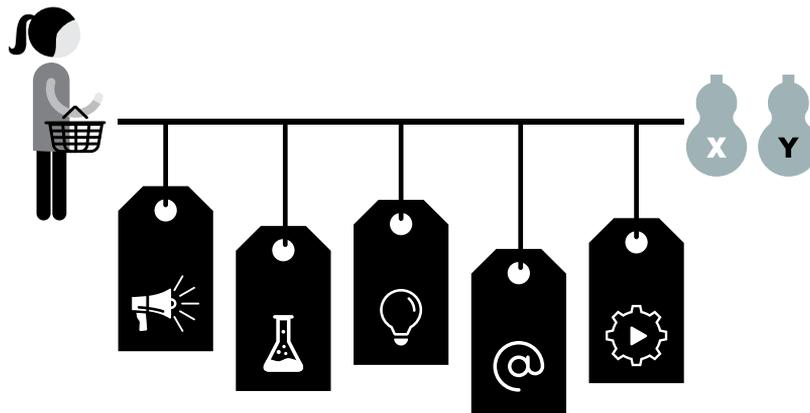
#### 2.2.4. Creating value for your business

Creating value for your business means finding ways to make your customers happy and satisfied with your product or service; these results in more opportunities for the customers to buy your product or service. The more a customer buys your product or service, the more s/he benefits and find value from your product or service. For this scenario to happen, you must ask the question: Which part in the business can the product or service deliver the best value to the customers?

Before a product or service is purchased by a customer you first have to create/do the product or service before you get paid. There are many steps (process) until the point the customer pays.

For example, if you bake and sell cookies there are primary and support activities that you need to undertake before you are able to sell the cookies:

---

**Figure 2. Value chain**



---

### Primary activities

- » Prepare the ingredients and equipment for baking
- » Bake the cookies
- » Package the cookies
- » Quality control on the final product
- » Deliver the cookies to a store
- » Promote and tell people about the cookies
- » Offer free-tasting and get feedback

### Support activities

- » Buy the ingredients and equipment
- » Experiment with new cookie recipes that are both healthy and tasty
- » Experiment with new packaging
- » Hire and manage people to help bake and sell the cookies
- » Running the business – planning, finance and administration
- » Use of ICTs to increase the efficiency of running the business

Which of the above steps will the customer appreciate most? A value chain analysis is a useful tool for working out how you can create customer value. To conduct a value chain analysis, begin by going through each step of your production and identifying the steps that can be eliminated or improved. The eliminations and improvements can result in cost

savings or improved production capacity. In the end, the customers will be able to benefit from a cheaper and/or better product. Cost savings can also mean higher profits for you.<sup>7</sup>

In a value chain analysis, Victoria, studied her primary and support activities above. She looked at each activity to see where she can improve her services so that her customers will buy her cookies again. She plans to offer free-tasting of the cookies to her drop-in customers, and provide complimentary coffee and tea. She will make sure that her shop, equipment and utensils are all clean. She also intends to invest in a computer and Internet connection to manage her finance and develop a website.

**How can ICTs help you create value for your business?** There are many ways that ICTs can help to make your business more efficient. In Victoria's case, she can make purchases faster by communicating with her suppliers and by ordering ingredients and equipment online. She does not have to go to her suppliers in the city, and this reduces the cost of doing business; her product cost will also be reduced.

### 2.2.5. Price: What amount is reasonable for your target market?

In doing the market research, it is important to find out about the price of similar products, and compare them with how you have priced your products. To find out how the price of a product is determined, start with the typical formula discussed below.<sup>8</sup> The table that follows in each formula is an illustration of how Victoria calculated the price of her cookie products.

#### Pricing formula

##### a. Cost of direct material

Find out the total cost of the **raw materials** you used to produce your product. The cost is then divided by the number of items to find the cost per unit. Sometimes the costs of goods fluctuate so it is important to take note of the changes in the cost of raw materials. The formula:

»  $\text{Cost of raw materials} \div \text{Number of items produced} = \text{Cost of direct materials per unit}$

<sup>7</sup> Kristina Zucchi, "The Basics of Value Chain Analysis", *Investopedia*, 10 November 2014. Available from <http://www.investopedia.com/articles/investing/111014/basics-value-chain-analysis.asp#ixzz42mp15m00>.

<sup>8</sup> <http://www.bizmove.com>.

A sample is shown in Table 8.<sup>9</sup>

Table 8. Computation of direct material costs						
RECIPE: BABY BEAR'S COOKIES			RECIPE YIELD	24	DESIRED YIELD	65
					YIELD DIFFERENCE	2.71
INGREDIENTS	TOTAL QUANTITY	TOTAL PRICE	PER UNIT PRICE	UNITS IN ORIGINAL RECIPE	UNITS REQUIRED FOR DESIRED YIELD	INGREDIENTS COST
All-purpose flour (in ounces)	400	13.99	0.035	5.25	14.22	0.184
Sugar (in ounces)	80	7.59	0.095	3	8.13	0.285
Butter (in ounces)	16	2.99	0.187	4	10.83	0.748
Eggs	12	2.69	0.224	2	5.42	0.448
Salt (in ounces)	16	0.77	0.48	0.25	0.68	0.012
Brown sugar (in ounces)	32	2.89	0.9	1.2	3.25	0.108
Dried cherries (in ounces)	12	1.99	0.166	0.5	1.35	0.083
Dried blueberries (in ounces)	12	2.87	0.239	0.5	1.35	0.12
Chocolate chips (in ounces)	12	3.69	0.308	4	10.83	1.23
Vanilla extract (in liquid ounces)	8	13.99	1.749	0.25	0.68	0.437
Baking soda (in ounces)	16	0.99	0.062	0.25	0.68	0.015
<b>Total</b>		<b>54.45</b>	<b>4.445</b>			<b>3.67</b>

## b. Cost of labour

Find out how much you need to pay people who help to produce your products. You must assign a salary-wage amount (based on government's labour policy guidelines), even if you are the only one producing the products. Calculate the weekly salary (based on hourly rates) you pay someone to produce the necessary number of items, and divide it by the number of items. Add this figure to the cost of direct materials per unit. The formula:

<sup>9</sup> The table is based on Jennifer Lewis, "The Food Product Cost and Pricing Calculator", cited by the CookiePreneur blog. Available from <http://cookieconnection.juliausher.com/blog/from-dough>.

- »  $\text{Salary-wage} \div \text{Number of items produced} = \text{Cost of labour per unit}$
- »  $\text{Cost of direct materials per unit} + \text{Cost of labour per unit} = \text{Cost of direct labour per unit}$

Table 9 shows a sample of direct labour cost computation per unit of Victoria's cookies.<sup>10</sup>

**Table 9.** Computation of direct labour costs

DIRECT LABOUR COST PER UNIT	
PER UNIT INGREDIENT COSTS	
Batch ingredient cost	3.67
Minutes required for preparation (one batch)	35
Preparation labour hourly rate	11.50
Original recipe yield	24
Per piece cost	0.43
Total units/items in each package	3
<b>Total ingredient cost (one package)</b>	<b>1.30</b>

### c. Overhead expenses

These expenses include rent, gas and electricity, business telephone calls, supplies, delivery charges, cleaning, insurance, office supplies, postage, payroll taxes, repairs and maintenance. If you want to really be accurate with your costing, estimate realistic amounts for all categories of expenses. If you are working at home, set aside an amount to a portion of your total rent or mortgage payment (in proportion to your work space and storage areas), or assign a reasonable rent cost for the type of space. List all overhead expense items and add them up. Divide the total overhead figure by the number of items per month (or the time period you used for your previous computation).

The answer is your overhead costs per unit. The formula:

- »  $\text{Overhead expenses} \div \text{Number of items produced} = \text{Cost of overhead per unit}$
- »  $\text{Cost of direct materials per unit} + \text{Cost of labour per unit} + \text{Cost of overhead per unit} = \text{Total cost per unit}$

<sup>10</sup> Ibid.

Table 10 shows a sample computation of overhead costs per unit.<sup>11</sup>

**Table 10.** Computation of overhead costs

OVERHEAD COST PER UNIT	
PER UNIT PACKAGING COSTS	
Packaging cost	0.254
Minutes required for packaging (one package)	3
Packaging labour hourly rate	9.00
Total packaging cost	0.70
Total per unit product cost	
	2.00

#### d. Define your Profit

Have an **amount added to the total cost per unit** for profit---so you will not just be breaking even. Check your competitors and find out their pricing range (retailers usually double the wholesale price). If your product is a little better than the competition, charge a little more. If your product is comparable, consider a similar pricing.

You must remember to put up a profit from each sale, in addition to your salary figure. Add the profit figure you have chosen to the total cost per unit to get your total price per product unit. The formula:

$$\gg \text{Profit} + \text{Total cost per unit} = \text{Total price per unit}$$

Table 11 shows a sample computation of total price per unit.

<sup>11</sup> Ibid.

**Table 11. Computation of total price per unit**

PER UNIT PRODUCT PRICING	
Your wholesale price	5.00
Your profit from wholesale	3.00
Your private label/Co-packer price	3.08
Your profit from private label/Co-packer	1.08
Your price to distributors	2.86
Your profit from distribution sales	0.86
Broker commission	0.25
Your profit after broker fees	2.75
Suggested retail price	10.01
END PRICE ANALYSIS	
If you want a retail price of	8.50
Wholesale price would be	4.25
Then product cost should be	1.70

**How can ICTs help you price your products?** In a spreadsheet program, the formulas given in the above computations can be set to automate your computations for when there are changes to the cost of raw materials, labour or overhead.

### 2.2.6. Pricing and sales terms

You may decide to set special prices (or discounts) to attract customers to your business or for quick sales of your products. Find out if customers' purchases are based on price, quality or both. Demand can change at different seasons of the year, by locations or by type of customers. Will you set different prices?

The primary consideration in pricing a product or service is the value that it represents to the customers. If your product is a first in the field, you can command a premium price. On the other hand, if it is a "similar" product, you may have to get a share of the market before you increase your price. The one rule in business that works is: in the final analysis, it is the market that sets the price.



## Something To Do

### What is your product or service price?

Do a computation of your product or service price. Conduct research to find out about your competitors' pricing and policies. Send a friend to a similar shop as yours. Find out if they are offering special prices or discounts for their products. Find out if there are price leaders<sup>12</sup> in the industry? From your findings make a detailed pricing policy.

### 2.2.7. Place: Where and how will your customers buy or receive your product or service?

Direct selling is the selling of products directly to your customers. Indirect selling can include sales intermediaries—a person or an institution that can display and sell your product. Indirect sales also include selling on websites or social media where people can place orders of your product online and you deliver upon agreement. You may offer both direct and indirect sales of the same product.

Outlined below are some common practices:

- » **Direct sales by telephone or in person** – You can ask someone to sell your product, or you can sell door-to-door.
- » **Custom-made order** – There are specialized markets for unique products. Some families or individuals do not have time to shop. But these cases require you to study laws and government policies that apply to these approaches.
- » **Franchising** – You may decide to either buy into someone else's franchise as a franchisee, or create your own franchise operation that sells rights to specific places or product lines to others. Each will require further legal, financial and marketing research.
- » **Distributors** – You may decide to work as a local or regional distributor for several different product lines.<sup>13</sup>

<sup>12</sup> Price leadership is when a firm that is the leader in its sector determines the price of goods or services. Price leadership can leave the leader's rivals with little choice but to follow its lead and match these prices if they are to hold onto their market share. Alternatively, competitors may choose to lower their prices in the hope of gaining market share as discounters. Investopedia, "Price Leadership". Available from <http://www.investopedia.com/terms/p/price-leadership.asp>.

<sup>13</sup> <http://www.bizmove.com>.

Market research can help you decide on the best ways to sell and distribute your products. Depending on your product or service there are factors to consider in deciding the sales location and distribution process. For example in Victoria's case, her product is a perishable item. She has to consider the shelf life of the product—how many days will it take before her product's life expires? In what condition (temperature) will it easily perish? Given this information, she has to think of a way to make sure that her product stays fresh for a certain period of time and for how long. She has to consider refrigerating her products using display refrigerators if she decides to put up a place where people can view her products; she can consider packaging that will help keep the freshness of the product longer. She will have to take into consideration same-day delivery process if she decides to have custom-made orders.

Think about how your customers can buy your product. Table 12 has some questions that can guide you in making decision about the place to sell your product or service.

**Table 12.** Questions to determine place to sell

Direct	Indirect	ICT component
Where would the customers need to go to buy your product?	Who would be the best sales persons to sell your product?	Would you want your product to be available online?
<ul style="list-style-type: none"> <li>How would you evaluate the places where your product will be sold?</li> </ul>	<ul style="list-style-type: none"> <li>Consider how fast your intermediaries can deliver your product</li> </ul>	<ul style="list-style-type: none"> <li>If you want your product to be available online, would you have your own website or would you look for a website that you can consign your product to?</li> </ul>
<ul style="list-style-type: none"> <li>Consider style and demographics of customers</li> </ul>	<ul style="list-style-type: none"> <li>Consider style and demographics of customers</li> </ul>	<ul style="list-style-type: none"> <li>Consider style and demographics of customers</li> </ul>
<ul style="list-style-type: none"> <li>Consider which customer group would be best suited for each product delivery method</li> </ul>	<ul style="list-style-type: none"> <li>Consider how your competitors are distributing their products</li> </ul>	<ul style="list-style-type: none"> <li>Consider how your target customers can reach you for orders or inquiries</li> </ul>

**Table 12. Questions to determine place to sell (Continued)**

Direct	Indirect	ICT component
<ul style="list-style-type: none"> <li>Consider the convenience of customers—walking distance, availability of parking space, proximity to other business establishments</li> </ul>	<ul style="list-style-type: none"> <li>Consider the reputation of your potential intermediaries/ consignees.</li> <li>Is it positive? What type of products are they known to provide?</li> </ul>	<ul style="list-style-type: none"> <li>Consider your capacity to answer questions online and fulfill online orders.</li> <li>Look at online stores (e.g., Alibaba, Lazada, Zalora) and consider the look and feel of their sites. Learn how they are fulfilling orders online, how much they are charging and with whom they are partnering with</li> </ul>
<ul style="list-style-type: none"> <li>Consider government ordinances in relation to direct selling</li> </ul>	<ul style="list-style-type: none"> <li>Consider government ordinances in relation to indirect selling</li> </ul>	<ul style="list-style-type: none"> <li>Consider government ordinances in relation to online selling</li> </ul>
<ul style="list-style-type: none"> <li>Consider cost (e.g., rent, franchising costs)</li> </ul>	<ul style="list-style-type: none"> <li>Consider cost (e.g., sales commissions)</li> </ul>	<ul style="list-style-type: none"> <li>Consider cost (e.g., utilities, connectivity)</li> </ul>



**Something To Do**

Find out how your competitors are selling and distributing their products. Describe how you will sell and distribute your product? Be specific.

**2.2.8. Promotion: How will your customers know or be aware of your product or service?**

Promotion means communicating with your customers about your products or services. The purpose of promotion is to inform and persuade your customers to buy your products or use your services. There are costs in promotion. Promotion often involves some kind of advertising, which is any form of paid, non-personal promotion that communicates with a large number of potential customers at the same time. When you take the latter as an approach, you must have an advertising strategy and goal. Developing these also entail costs.

Promotional activities range from designing a logo, printing and distributing business cards, posting notices on bulletin boards in stores and offices, and making calls to potential and existing customers. Social media may also be a valuable space for promotion. To

assist in determining the type of advertising that is appropriate and within your budget projections, it will be necessary to carefully review your customer profile.

**How can ICTs help you promote your products?** If many of your customers are regularly using social media, you can consider using this channel to promote your products. The advantage of using social media for promotion is the ability to have a two-way communication with your customers, unlike most advertising channels that only allow one-way communication—from you to your customers. The two-way communication lets you have direct and immediate feedback from your customers. Social media tools that can be used for promotion are discussed in Box 3.

---

### Box 3. Social media tools for promotion

---

With an increasing number of people using social media on a regular basis, social media provides great opportunities to promote your products/services and find new customers online. There are different social media sites and the choice of which sites to focus on depends on who you are targeting as there are sites that are more popular amongst women or the younger population, for example. Your choice will also depend on the nature of your message and the nature of your business.

**Facebook** is by far the most popular social media service on the Internet. Facebook is most suitable for:

- Businesses that host events
- Targeting local users and specific pages
- Engaging and getting exposure with current and prospective customers
- Integrating social sharing features on your website

**Google Plus** is the social network by Google. Google Plus is suitable for:

- Creating/updating your listing on Google Maps and local search results
- Getting customer reviews to show up in search results
- Businesses that host local events
- Targeting local users and businesses

**Twitter** is a social network that allows users to post messages in 140 characters. It is popular amongst the younger audience. Since its set up in 2006, Twitter has benefited businesses tremendously by giving them a powerful outreach platform to interact with customers that you might not have been able to talk to before. Twitter is suitable for:

- Interacting with current and prospective customers
- Answering questions and customer feedback
- Releasing the latest news regarding your company
- Using targeted ads with specific users and audiences

**YouTube** is the largest and most popular video-based social media website on the Internet. YouTube is suitable for:

- Showing up in search results with rich video snippets
- Targeting users with video-based content
- Geo-targeting videos based on your location
- Integrating and embedding videos on your website

**Pinterest** is a powerful image-based social media website that is popular with women. Pinterest is suitable for:

- Photography, travel and other related industries
- Sharing holiday related images
- Home décor, fashion, arts and crafts
- Reaching women, moms and more affluent users
- Promoting pins to targeted users

**Instagram's** user base is mostly made up of young adults. Instagram is suitable for:

- Sharing pictures and short video clips
- Restaurants, retailers, and other industries that rely on visual media
- Editing pictures with preset filters
- Sharing company culture and "behind-the-scenes" insights

**LinkedIn** is the most popular professional social media and networking website. Due to its professional nature, businesses are using the popular social media site to find new employees and potential customers with their targeted advertising programme. LinkedIn is suitable for:

- Networking with local professionals
- Connecting with people in similar industries
- Lead generation and reputation management
- Displaying company related information and statistics
- Having your personal and/or business information rank well in search engines

**Craigslist** is a site that provides local classifieds and forums in over 700 cities in over 70 countries. From e-commerce websites to furniture wholesalers, small businesses both online and off are realizing the marketing power of Craigslist. Craigslist is great for posting free, targeted ads targeting customers in a specific city.

Many businesses have a combination of social media presence, including Facebook, Twitter, Pinterest and Instagram for example. Hootsuite is an application that makes it convenient for businesses to manage multiple social media accounts, including scheduling messages, engaging your audiences, and measuring return on investment from one application.



## Something To Do

Explore two or three of these social media sites. Create an account on your selected sites and familiarize yourself with the features and functions that the site offers. Consider how you can use these features and functions to promote your products or services.



## Something To Do

### Develop your promotion strategy

Write down what you want your promotion strategy to accomplish. Considering the following questions will help:

- **Message** – What should be said about the business product and how should it be stated? What is your tagline – a phrase or catchword that becomes associated with your product or service that a customer can easily remember?
- **Target market** – Do you plan to serve or sell to an industrial market, a national market, a neighborhood or a specialized market?
- **Customers' preference** – What does your customer read or listen to? Where? How often?
- **Media** – Based on your customers' preferences, what media should be used? What is the track record for use of the medium you are considering for your type of business? What do your competitors use? What do your network of friends and your trade association suggest?
- **Budget** – How will the amount of money you have to spend limit the media you can use? How can you spread your budget out over a year to give a repetitive, continuous message? While you may have to spend more at the start, a good ongoing guideline is that advertising should not exceed one or two per cent of sales. Set forth how much you are willing to invest in advertising in the first year
- **Continuity of message** – How will the type of product or service, customer profile and seasonal buying patterns affect your choice of media and the frequency with which you advertise?
- **Campaign roll-out** – How can the advertising campaign be implemented? How can its effectiveness be measured?

## 2.3. Resource mobilization

Resources are necessary for any business to start or operate. Resources refer to materials and equipment, and human and financial requirements of a business. Resource mobilization refers to the process of making available all activities that involve the securing of resources for your business. It involves making better use of and maximizing existing resources.<sup>14</sup>

### 2.3.1. Information seeking

Aside from market research, there are other kinds of information that you will need, which can be sought from human or technological mediated sources. To get the right information at the right time requires skill and knowledge.

In order to increase her knowledge of running a business, Victoria looked up resources, both online and in print. She looked into enrolling in free online business courses. She also supplemented her existing baking knowledge with other books, print and online, and watched videos for new baking techniques.

**How can ICTs help you find information?** The use of search engines on the Internet can help you find information. You will need to ensure that the selected information is from reliable sources, thus, you need evaluative skills to assess the validity of information.

Entrepreneurs can increase their knowledge and skills by enrolling in free massive open online courses that focus on certain industries or business sectors. Browse through Coursera (<http://www.coursera.org>), edX (<http://www.edx.org>) and Udacity (<http://www.udacity.com>) for courses that may suit you.

---

<sup>14</sup> Judith B. Seltzer, "What is resource mobilization and why is it so important?" Health Communication Capacity Collaborative, 20 October 2014. Available from <http://healthcommcapacity.org/resource-mobilization-important/>.



## Something To Do

### Find information online

Similar to what Victoria did, use a search engine to look up online resources on running businesses that are similar to yours. Search for free online classes that may help you with running your business. You may also want to look at online resources on techniques, equipment and raw materials that people with similar businesses to yours are using. Take note of these techniques, equipment, and raw materials and see what you would be able to apply to your business at the moment and what you may want to apply to your business later on. You may want to note these references in a spreadsheet or word processor file.

## 2.3.2. Networking

Many women benefit from a network of friends and relatives. A network is a grouping of many social interactions and personal relationships established over time. A network provides information and it can also provide support.

For example in the case of Victoria, aside from relatives and old friends, she made new friends in her children's school. She gave them samples of her cookies that made them realize the taste and quality of the cookies. They became her initial customers. This network can become bigger since the new friends have relatives and friends of their own and the information about her cookies spreads around.

Networking is a vital skill. Having the skill is an advantage because it gives you the ability to develop and use contacts for your business. For instance, you can ask a customer for names of others who may be interested in your products or services. To make your business grow, you will need to establish more contacts to be able to communicate about your products.

To make your network bigger, you will need to attend events. Established businesses in industries schedule many networking events for entrepreneurs to take advantage of. You have to learn how to network effectively. Networking is more than just getting out and meeting people. Networking is a strategy; you will need to develop a structured plan to get to know people who will do business with you or introduce you to those who will.

Once you have your networking plan, commit to it, learn communication and networking skills, and implement your plan. In making your plan, ask yourself:

- » What business goals do I want to achieve?
- » How many prospective customers do I want per month?
- » Where are my customers and where do they go to network?
- » What business organizations would I benefit from?
- » How do I build my business image?
- » What activities in the community can help me boost my business?

To make networking work is to become proactive. This means taking control of the situation instead of just reacting to it. Networking requires going beyond your comfort zone and challenging yourself.<sup>15</sup>

Your network of friends and colleagues can be a source of information for news updates related to your business area, and for your financing and human resource needs.

At the onset of her business, Victoria harnessed the network that she had at her disposal, the neighbourhood mothers in her community. This network provided her information with possibilities of where she can sell and make her cookies available. Since she is active in community activities, she can meet people who are, or know of people, in the same line of business whom she can ask questions about running a business or product development.

Victoria can attend events that are related to her business and interests. She can join organizations—both formal and informal—to find people in the same line of business. She can exchange recipes with them as well as get information about problems encountered both in the personal and business domains. Her friends have advised her to start a blog<sup>16</sup> and use various social media tools to increase the awareness of her products and experiences. If Victoria creates a blog, her friends and followers can communicate and share their thoughts and learnings with her on her blog. Victoria's directory of contacts is an important document for her business.

What are the important entries in a directory of contacts? Table 13 suggests the information that you need in your directory of contacts.

---

<sup>15</sup> Entrepreneur Media, "Networking". Available from <http://www.entrepreneur.com/encyclopedia/networking>.

<sup>16</sup> Blogs are written articles and information using conversation styles. Bloggers are website writers who regularly contribute articles and features and update their blogs.

**Table 13.** Fields for a directory of contacts

Basic Information	<ul style="list-style-type: none"> <li>• First name</li> <li>• Last name</li> </ul>	Contact information: <ul style="list-style-type: none"> <li>• Home number</li> <li>• Mobile number</li> </ul>	Notes: <ul style="list-style-type: none"> <li>• Where and how you met the person</li> </ul>
Optional information		<ul style="list-style-type: none"> <li>• Home Address</li> <li>• Office Address</li> </ul>	<ul style="list-style-type: none"> <li>• Birthdays and anniversaries (important events)</li> </ul>
Advanced Information	<ul style="list-style-type: none"> <li>• Age</li> <li>• Marital status</li> </ul>	<ul style="list-style-type: none"> <li>• E-mail address</li> <li>• Social media address</li> <li>• Website</li> </ul>	<ul style="list-style-type: none"> <li>• Network and organization affiliations</li> <li>• The products or services that the person prefer</li> </ul>



## Something To Do

### Create a directory of contacts

Using a spreadsheet or word processor program, prepare a directory of contacts. You may classify them according to personal and business contacts.

Using a search engine, look for possible associations that may be able to assist you in your business. You may also want to look for associations that your business may be able to assist. Add them to your directory.

### Prepare a networking plan

Observe who can be your local/community network. Are you a member of any community groups? Are there community groups that you can join, or individuals that you can approach that can help improve your business skills and/or promote your product? Once you have identified a group or a person, you may want to categorize them into groups depending on the aspect of your product that you want to discuss with them (e.g. baking, product distribution, business licensing, packaging, etc.). You might want to list talking points about the product, and practice talking about the product before approaching them. You may also want to list questions that you want to ask them.

Look around for or ask about trade fairs and local bazaars where you can sell you products. You may want to create a spiel or a sales pitch about your product if you are going to attend these events. Think about questions that are frequently asked by your customers and prepare answers for them.

Your networking plan will depend on your resource capacity. You need to be selective in the networking events that you attend. Ask yourself: Where do my customers and prospects go to network? What business organizations would profit from my business? What business organizations would best serve the expansion of my business?

### 2.3.3. Financing your business: Making money available

Getting the money to start your business is a challenging activity. Oftentimes, it is considered the biggest obstacle to business start-ups. Many entrepreneurs, however, have been able to overcome the challenges. Some of the solutions for financing a business are risk free, others should be used with caution.<sup>17</sup>

Consider the following sources of funds:

#### **a. Pooling personal financial sources**

Tap into your personal savings but leave portions of it for emergency situations. You can also get a part-time job to finance your business. This means starting your business part time until you are able to get the funds to operate your business full time. If you are employed, continue with your job until the business has a steady flow of customers and profits.

To save costs, you may consider starting your business at home until you are surer of your income and profits from the business. Office space and utilities are large part of expenses for many businesses. You can sell personal items that you no longer need and use the cash for your business. You may consider renting or buying used equipment to save funds until you have enough money to buy new essential items.<sup>18</sup>

Victoria's family had some savings that she used to finance her cookie business initially. Due to her and her husband's membership in the local cooperative and her membership in a microfinance institution, she has access to several funding sources should she decide not to use her family's savings. She may also ask the bank in which she deposits her family savings for a loan.

Victoria may consider approaching her friends and relatives and ask them to be partners in her business and have them contribute to her business' capital. She may borrow from family and friends at low interest. She may take advantage of credit card, insurance and government social security schemes. Victoria will have to live a frugal lifestyle so she can pay up her loans including interests, until such time her business becomes more profitable.

---

<sup>17</sup> Janet Attard, "Where to get money to start a business". Available from <http://www.businessknowhow.com/money/startup-money.htm>.

<sup>18</sup> <http://www.bizmove.com>.



### Something To Do

Using a search engine, find out what financing mechanisms or incentives your government offers to small business owners and entrepreneurs. Check whether you are eligible for any of these incentives and how you can avail of them.

## b. Borrowing from banks and microfinance institutions

Apply for a small business loan through banks or microfinance institutions that offer low interest rates. Compare interest rates among the banks and microfinance institutions.

To apply for a bank loan, the information that you will generally need to give the bank includes the following:

- » Purpose of the loan
- » Projected opening-day balance sheet (for new businesses)
- » Lease details
- » Amount of investment in the business by the owner(s)
- » Projections of income
- » Expenses and cash flow
- » Signed personal financial statements
- » Your resume

You may also need a formal business plan. If you are trying to get funding to grow a business you have already started, you will also need business financial statements for the last three years, and information on receivables, payables and outstanding debt. Do not be surprised if the bank turns you down though. Banks are often cautious with lending money to start-ups.

Some banks offer home equity lines of credit that let you borrow up to as much as 75 per cent of the appraised value of your home. Depending on the value of your home and what you still owe on your mortgage, this option can put a significant amount of money at your disposal for starting your business. The downside is that you are putting your home at risk. If the business fails and you cannot repay the loan, you could lose your home. If you decide to go this route, be sure to read the legal information about home equity lines of credit.

In some countries, tradition and practices may dictate that women are not allowed to borrow without their husband's consent. Likewise, they may not be allowed to be without their husbands during face-to-face inquiry or transactions in the bank. While country policies can help alleviate the situation, these practices may still prevail. It is important that you talk to your partners and family members, as well as support groups and respectable/credible persons in the community about your business plans to get their support prior to the implementation of your business start-up. Be sure to highlight the benefits of the business to your family and community.



### Something To Do

Using a search engine, look up banks that are providing funding for small business owners and entrepreneurs. Compare the interest rates of these banks. If you are a member of a microfinance institution or a cooperative, compare the rates of these financial institutions against the bank interest rates.

If you are considering a loan with any financial institution, then study their loan requirements and repayment conditions. Consider:

- » Whether to avail of ongoing access to credit or one-time financing
- » If your partners or employees need access to credit
- » If you want to set a repayment schedule
- » Whether the interest rates are variable or fixed
- » If you can carry the cost of repaying your loan or credit line

### **c. Funding from government and non-government grants or loans with low interest rates**

Governments may have funding programmes for livelihood and micro-enterprise projects for women. You can learn more about this by searching from government and non-government institutions' websites. Local support groups and cooperatives may also have information on grants or loans with low interest rates.

### **d. Crowdfunding**

Crowdfunding services provide a viable alternative for small businesses to raise fund. There are crowdfunding platforms that are specific to different industries. This website is interesting for women entrepreneurs: <https://www.funddreamer.com/>. This is a

crowdfunding platform for women and minority groups. It can raise small amounts of money from a lot of people if you can interest them in your business project. Since this is a public venture, you will expose your business product to the public. This may be a bad option if you need confidential matters for your business. You must also consider intellectual property rights, legal aspects that will require the services of lawyers for patents, and similar concerns.



### Something To Do

Take a look at <https://www.funddreamer.com>, <https://www.gofundme.com/> and <http://crowdrise.com/>. See if there are similar products or services to yours and whether they have been successful in raising money for their products or services. Study how these campaigns have promoted their products or services to potential funders and compare them with your strategy.

#### 2.3.4. Banking plan and preparing financial records

When you have acquired capital for your business from personal and external sources, you will need to have a way to keep your business funds in a safe place. Opening bank accounts for your business will help you monitor your business finances. Make sure that you separate your business bank account from your personal bank accounts.

Study the advantages and disadvantages of choosing banks that are near your business address. Keep bank records for business documentation, record keeping and accounting purposes. Aside from the traditional record keeping journals, consider the use of ICT programs for financial management.

*At the onset, Victoria had difficulty separating her personal funds from her business funds. She has taken measures to address this issue by reading up on managing business finances, taking online courses, and asking people that run businesses how to handle finances.*

In creating your start-up financial records, have the following relevant recording system ready:

- » Inventory records to easily control the stock of goods
- » Sales forecasting to plan production
- » Standard accounting system recognized by law
- » Required financial statements



## Something To Do

### Online banking

Check with the bank to see if there is an online banking option, and find out about the services that they offer and the charges for small businesses. Try filling in the details required in Table 14.

**Table 14.** Table for online banking charges

Monthly plan fee	
Monthly transactions in plan fee	
Monthly items on deposit	
Excess per-item fees – in addition to monthly plan fee	
Transaction fees over plan limit	
Deposits over plan limit	
Deposits contents limit	
- Notes on deposit	
- Coins on deposit	
- Cheques on deposit	
Monthly paper statement fee	

### 2.3.5. Purchasing equipment and raw materials

Once the business plan is written and capital for the business is available, the equipment and tools needed in the business must be purchased prior to business start-up and production. This involves need identification, supplier identification, negotiation and award, logistics management, and installation of machineries and equipment including utilities and fixtures. In the plan, you may consider the procurement of ICT devices (computers, mobile phones with built-in Internet capability, printers and cameras) and program applications (for word processing, spreadsheets, drawing tools, etc.) that will be useful for your business.

How can ICTs help? ICTs can help in the search for the equipment specifications, comparison of prices, brands and features that will best serve your business goals and objectives.

Victoria looked around to get the best ingredients at the cheapest prices. What she may have done besides asking markets and established businesses where they get their ingredients, is to go online to look for other sources for her raw materials.



### Something To Do

Search online for sources and distributors of raw materials and equipment required in your business. Prepare standard letters to request quotations. Use e-mail to create messages. Find out if suppliers use free Internet calls (e.g., Skype, Viber or WhatsApp) to communicate with their customers.

Online marketplaces such as Alibaba.com and search engines such as Google.com can be used to quickly search for potential suppliers online. Online searching saves time and money because the information can be obtained without having to travel to the different areas to look for suppliers.

Communication with suppliers for coordinating logistics and distribution can be conducted in a fast and cost effective manner (compared to older means of communication such as face-to-face, writing letters or fax) through applications that allow for voice or video calls over the Internet. Examples of these applications include Skype, Viber and WhatsApp.

### 2.3.6. Hiring human resource

By referring to your production and marketing plan, identify and list the number and quality of human resources you need. It will be ideal to:

- a. Prepare a simple chart that lists specific tasks and the type of persons you will need. List and describe specific duties and responsibilities of each position and give a name for the position. Create a form for each position describing their duties and responsibilities, which will serve as your guide in preparing contracts.
- b. For each position on the chart, list the corresponding wage, salary, benefits and other required compensation by law.
- c. Make a general list of requirements for recruitment and hiring, including the information that you will require from the applicants, such as cover letter, resume and references.
- d. Prioritize the positions that you need to hire during your start-up.

e. Identify other professional resources available to the business. They include: accountant, lawyer, insurance broker and banker. Describe the relationship of each professional resource to your business. For example, “accountant available on part-time hourly basis, as needed; initial agreement calls for services not to exceed x hours per month at \$ xx.xx per hour”.

f. To guide you further in the preparation of your human resource needs, answer the following questions:

- » What are your personnel needs now?
- » What skills must each key person have?
- » Are the people needed available? Name them and indicate full or part time and salary rates

g. Detail a proposed work schedule by week and month for at least the first year. If you have identified any gaps in personnel skills, state how these will be overcome by training, purchase of outside services, or subcontracting.

Some countries have national or local job websites where employers can post vacancies. The search engines can help find directories of professional services should this be required in your business.

## III. RUNNING YOUR BUSINESS

---

### Learning outcomes

- » Comprehend the different business functions in managing a business and how ICTs can be applied to facilitate these functions
  - » Appreciate the value of protecting one's business in relation to legal, physical and online threats
  - » Understand the importance of monitoring and evaluation of the business performance
- 

Business that has started requires hands-on management by the entrepreneur. There are eight general business functions in running a business. The eight functions correspond with the business plans prepared prior to business start-ups. These functions include:

1. General management
2. Purchasing
3. Production
4. Marketing
5. Public relations
6. Human resources
7. Administration
8. Finance

The functions can be integrated in implementation depending on the size of business. This section discusses each of these functions and examines how ICTs can help you perform these functions better.

## 3.1. Business functions

### 3.1.1. General management

General management means somebody must be overseeing the business. Management requires planning, organizing, staffing, coordinating and controlling.<sup>19</sup>

The entrepreneur usually do all of the business management. Goals and objectives are set in the business plans. However, there are many factors that can challenge the plans and alternative actions must be taken. You must be able to balance control and flexibility depending on the business internal and external environment. Leadership and decision-making is at the core of the management function.

Even if the business enterprise is small, a structure of business activities must be in place including the tasks and responsibilities of the personnel, and the chain of command within the business organization. The entrepreneur must be able to hire the right people for the right job to achieve the business goals and objectives.

The coordinating function of management involves the communication, supervision and direction of the business. The controlling function of management involves establishing performance standards and monitoring of productivity and output of the business.

The use of ICT applications can be useful to a manager in planning, coordinating and implementing all the business functions. This includes: preparing sales forecast; managing inventory; scheduling purchases and production; coordinating and communicating with personnel, suppliers and customers; and promoting and marketing products and services.

It is important for businesses to have a centralized storage of business information, including business documents and databases. Web-based solutions are available for free or for a monthly subscription fee that allow businesses to store and share documents. These solutions include Box, Dropbox and Google Drive.

---

<sup>19</sup> Calia Roberts, "Five Functions of Management and Leading". Available from <http://smallbusiness.chron.com/five-functions-management-leading-56418.html>.

There are suites of applications that support the operations of the business such as:

- » <http://appsoncloud.com/> – This tool helps you store human resource records, organize contacts, manage customers and tracks project status.
- » <http://www.apptivo.com> – This is a collection of 40 applications that covers project management, customer relationship management, time sheets, inventory and more.

### 3.1.2. Inventory and purchase of raw materials and equipment

You can prepare an inventory spreadsheet to help control the entries and exits of goods or items in your business. It would be useful to include the current cost of the raw materials in the inventory spreadsheet (see Table 15). You may also want to try an inventory management program such as [Skywareinventory.com](http://Skywareinventory.com).

**Table 15. Inventory list**

Date of inventory	List of raw materials	Supplier	Current quantity	Cost of purchase	Date of purchase	Date of expiration	Notes

In purchasing raw materials, a spreadsheet for your list of suppliers will be useful, with information on their supplies, price, quality and specifications, and contacts (see Table 16).

**Table 16. Suppliers' list**

List of suppliers	Supplies	Price list (wholesale or retail)	Quality and specifications	Contact information	Notes

Similarly, a spreadsheet program can be used to list the equipment and tools, their state or condition, and other information to monitor their status (see Table 17).

**Table 17. Equipment and tools status list**

Equipment and tools	Specifications	Cost of unit	Date of purchase	Cost of repair	Date of repair	Status	Inspection date	Recommendation	Notes

### 3.1.3. Production

Production covers the processes and methods used to transform raw materials, semi-finished goods, sub-assemblies and intangible inputs such as ideas, information and knowledge into goods and services. Resources are used in this process to create an output for use or for exchange value.<sup>20</sup>

To achieve a standardized method, it is important to list the production processes, and determine the time required, the raw materials and quantity required, the labour required, and corresponding costs to produce a product. Table 18 can be modified to document the step-by-step process in production.

**Table 18. Documentation of the production process**

Process (steps)	Time	Raw material and quantity required	Cost of materials	Labour (personnel) required	Cost of labour	Outputs (quantity)	Notes
Prepare and measure ingredients	20 min	½ cup unsalted butter, room temperature ¾ cup brown sugar ¾ cup white sugar 2 eggs 1 teaspoon vanilla extract 12 ounces chocolate chips 2 ¼ cups flour ½ teaspoon salt ½ teaspoon baking soda	Total 3.67 per batch	1 assistant for preparation and packing	11 per hour	65 pieces	
Clean and prepare equipment	5 min	Preheat oven to 350°F or 180°C	Cost of electricity				
Mix and sift the dry ingredients	5 min						
Cream the butter and sugars in a separate bowl	10 min						
Add eggs and vanilla	5 min						

<sup>20</sup> BusinessDictionary.com, "Production". Available from <http://www.businessdictionary.com/definition/production.html>.

**Table 18.** Documentation of the production process (Continued)

Process (steps)	Time	Raw material and quantity required	Cost of materials	Labour (personnel) required	Cost of labour	Outputs (quantity)	Notes
Stir in flour mixture	5 min						
Mix in chocolate chips or dried fruits	5 min						
Drop spoonful of batter onto baking sheet	5 min						
Bake cookies	15 min						
Remove cookies to cool	15 min						
Decorate	15 min						
Pack	15 min						

To ensure that Victoria’s cookies are of a uniform quality each time she produces a new batch, she documents the steps she takes, including the measurement and the time used in her procedures. She uses a spreadsheet program to document the steps and the important aspects in production as shown in Table 18. Aside from setting standards, the documentation of the steps helps her identify areas where she can reduce time and costs.

### Product Development

To make her business more dynamic, Victoria has to think of ways to improve her product. She has to invest time in product development. She also needs to document the process to record the different versions of the product. She can make use of spreadsheet and word processor programs to document the process. Table 19 can be used to report on new product options and facilitate a cost and benefit analysis to weigh the pros and cons of the options.

**Table 19.** Cost and benefit analysis of new product options

Factors	Existing condition	New option	Costs	Benefits
Substitution				
Combination				
Amplify				
Minimize				
Put to other use				
Eliminate				
Re-arrange				

### 3.1.4. Marketing and sales

In marketing logistics, which involve planning, delivering and controlling the flow of physical goods, you can record marketing information on spreadsheets and word processors, which will help with the analysis of recorded information and speed up reporting.

For the promotion of products and services, there are ICT programs for designing and preparing collaterals such as flyers, brochures and business cards. Product information can also be communicated through the use of e-mail messages, creation of websites, SMS blasts and social media. But do not forget the older technologies such as the use of radio, television and print media for advertising. You may find that these media are more popular with the customers that you intend to target.

Having a website is becoming essential to market a business as the website can be updated cheaply compared to printed marketing materials, and provides information about the business to interested customers 24 hours a day. Websites such as Blogger.com, Wordpress.com and Wix.com can be used for creating a basic business website. Social media sites such as Facebook can also be used to promote a business.

For businesses with customization requirements and a higher budget, online services such as 99designs.com is an appealing option for designing business identity including a website. 99designs.com allows businesses to launch a design contest at a fee to its community of over one million graphic designers globally. Designers will then submit the designs, and the business can choose the suitable design to use.

Alternatively or in addition to a website (depending on your capacity), you can promote and sell your products in popular online marketplaces, which you may find more effective than your own website, especially if many of your target customers are visiting those marketplaces. An online marketplace is a type of website where products or services are provided by multiple sellers, and transactions are processed by the marketplace operator. There are online marketplaces for an increasing number of products and services, with international and local reaches. Examples of popular online marketplaces include Alibaba.com, AliExpress.com, Amazon.com, Lazada.com, Rakuten.com and Zalora.com, and ebay.com. There are also online marketplaces that allow businesses to post and promote special deals such as Groupon.com.

In direct sales and marketing, the creation of physical point of sale transactions can be developed in partnership with service providers that can also help in the business promotion

of the product or service. Ezetap.com and Square.com are point of sale applications that enable you to accept payments on credit and debit cards on your handheld device.

### 3.1.5. Managing people

In the course of the day-to-day operations of business, management of people sometimes makes a large part of it. This includes staff management, supplier management and customer relations management. Communication is part and sometimes the whole of management. Effective communication is therefore a must. Preparing communication plans is necessary to establish sustainable relationships with the people that you deal with not only on an event basis, but also on a daily basis.

You can make use of ICT devices and applications to communicate with people. The challenge is how to develop clear communication content to ensure that you are able to convey your intent or message in the communication.

In staff management, preparation of templates can be developed for more efficient development of content for hiring, training and firing. Likewise, this can be a practice in the development of contracts for staff and suppliers. In customer relations, communication is critical to maintaining and expanding your business transactions.

### 3.1.6. Finance and administration

The entrepreneur's major concern is the bottom line and profits. You cannot know how much profit you are making unless you have proper financial planning and record keeping. Preparing a budget, maintaining business bank accounts, and documenting payment processing, accounts payable and accounts receivable, and taxes must be in place in the business system.

As shown in previous sections, spreadsheets can be used for a lot of things in your business. They are great tools for accounting, tracking your finances and calculating payroll, among other things.

There are numbers and values in currency that is translated in all business activities. These are reflected in planning and start-up activities, in production, sales, even in promotion, customer relations, hiring of staff, and in distribution of products. These are the reasons that an entrepreneur has to manage and control the business.

You must be able to understand the financial reports and statements, as well as the importance of record keeping and maintaining financial transactions. Daily finances must be managed even if the business is small. The more you can use financial tools, the higher the chances that your business will survive and grow, and the more successful and profitable your business is likely to be.

**How can ICTs help you manage your finances?** For financial forecasting, businesses can use spreadsheet programs to calculate different scenarios. Free forecasting templates are available in well-known business applications. Google Docs offers templates that can be shared and edited.

### **Financial records and documentation**

The most critical section of your Business Plan Document is the Financial Plan. In formulating this part of the planning document, you will establish vital schedules that will guide the financial health of your business through the challenges of the first year and beyond. As an entrepreneur, it is important that you have some basic knowledge or accounting.

Most small businesses use the “cash” method of accounting with a system of record keeping that may be little more than a carefully annotated chequebook in which is recorded all receipts and all expenditures, backed up by a few forms of original entry (invoices, receipts, cash tickets, etc.). As your business grows, you will need something more sophisticated. Several packaged small business accounting systems complete with simple journals and ledgers and detailed instructions in understandable language are available for purchase in computer stores. If you feel that your accounting knowledge is insufficient and you need professional assistance to establish your accounting system, having them as part of your part-time human resource can give you confidence and assurance in your business. The classified section of your telephone directory or local websites can lead you to a number of small business services that offer a complete range of accounting services.<sup>21</sup>

**a. The business financial plan** starts with financial planning assumptions - these are short statements of the conditions under which you plan to operate. These include the:

- » Market health situation
- » Date of start-up
- » Sales build-up in country currency

---

21 Bizmove Management Training Institute. Available at [www.bizmove.com/books/how-to-start-a-small-home-business.pdf](http://www.bizmove.com/books/how-to-start-a-small-home-business.pdf)

- » Gross profit margin
- » Equipment, furniture and fixtures required
- » Payroll and other key expenses that will impact the financial plan

**b. The operational plan with profit and loss projection** - This is normally prepared annually on a per month basis. Create a table like the one in Table 20 for your own profit and loss projection.<sup>22</sup>

**Table 20.** Profit and loss projection per month

<b>Sales</b>	<b>Amount</b>
(-) Less: Cost of sales	xxxxxx
(=) Gross profit	xxxxx
<b>Controllable expenses</b>	
Operating supplies	xxx
Gross wages	xxx
Repairs and maintenance	xxx
Promotion and advertising	xxx
Transportation and delivery	xxx
Bad debts	xxx
Administrative and legal	xxx
Outside labour	xxx
Miscellaneous expenses	xxx
Total controllable expenses	xxx
<b>Fixed expenses</b>	
Rent	xxx
Utilities	xxx
Insurance	xxx
Taxes and licenses	xxx
Interest	xx
Depreciation	xxx
Total fixed expenses	xxxx
Total expenses	xxxxx
<b>Gross profit less expenses = Net profit</b>	<b>xxxxx</b>

<sup>22</sup> Ibid.

**c. Source of funds schedule** – This shows the source(s) of your funds to capitalize the business and how they will be distributed among your fixed assets and working capital. To create this schedule, you will need to create a list of all of the assets that you intend to use in your business, how much investment each will require and the source of funds to capitalize them.

In your source of funds schedule, indicate the number of months of useful life for depreciable fixed assets. In Victoria's example, the oven, the packaging machine and production tables, and office equipment would be depreciable. You will need this data to enter as monthly depreciation on your profit and loss projection. All of the data on the source of funds schedule will be needed to create the balance sheet.

**d. Pro forma balance sheet** – "Pro forma" refers to the fact that the balance sheet is before the fact, not actual. This form includes assets (all things acquired in the business), liabilities (all things that were bought in credit) and equity (all capital investments) of the business. Having this statement helps identify if there is inadequacy of the funds, how much investment will still be required by the business, and how much of it will be used as working capital in its operation.

**e. Cash flow projection** – This will forecast the flow of cash into and out of your business through the year. It helps you plan your purchasing schedule, and identify high-volume months and slow periods. A useful business management practice is to keep enough cash in the business than needed to operate it and protect it from disaster. Most small businesses are faced with inadequate cash. A cash flow projection is prepared to keep track of the amount of cash that will be absorbed by the operation of the business, compared against the amount that will be available.

### 3.1.7. Is additional money needed?

Adequate working capital is always necessary for success. From the financial records you will be able to determine if your business will need more money than can be generated by sales. What do you do? You may need to get investors, additional loans or bank credit to bridge your business needs during the lean months. This loan can be repaid during the months when your sales are higher than your expenses.

The entrepreneur must have funds to budget and use to run the business. You must be aware of the most important materials and services that are needed to run the business. Listing all the materials and costs can help one realize the value of controlling expenditure.

One of the challenges frequently faced by entrepreneurs is the mixing of personal and business funds. As much as possible, you should avoid this practice. An exercise that may help you is to make separate lists for personal and business expenditures. Another option is to have separate bank accounts for personal and business funds. The entrepreneur must establish a sound system of financial recording, whether manual or automated using a computer, to show records of funds and expenditures.

**Figure 3.** Separation of personal and business funds



**What is a budget?** A budget is a spending plan. Budgeting is a process that helps estimate the amount of money that will be spent for required needs as against your income. Preparing a budget helps you to be conscious of the use of money for your personal needs and your business.<sup>23</sup>

A business budget is a detailed estimate of all the costs needed in your business. Prices of expense items can be obtained from different suppliers to compare costs. Prices sometimes vary so in budgeting, take a higher estimate to give room for increase in prices. You may also include a contingency plan of 5 to 10 per cent of total costs.

What are the sources of funds for your business? A budget must not only list costs or expenses, it must also have a record of the project funds as capital for your business project. As mentioned earlier, sources of funds can be taken from personal savings, borrowed money through loans or from your investors.

**How can ICTs help you in budgeting?** A computer spreadsheet programs like Google Sheets, Microsoft Excel and OpenOffice Calc can help you record your budget and track expenses. You can use these ICT programs to budget and track your business and personal expenses separately.

<sup>23</sup> For more information on personal budgeting see <http://www.mymoneycoach.ca/>.

For accounting and bookkeeping, there are online services such as Freshbooks.com and Xero.com that enable businesses to record its transactions.

## 3.2. Protecting you and your business

### 3.2.1. Legal and regulatory compliance

Women entrepreneurs as small business owners must comply with the country's business licensing laws. From forming a small business company to creating legal contracts, you must be familiar with the business laws in your country and have access to a lawyer if legal problems with customers or employees arise. You may need to write, review and sign legal contracts and sales agreements. When legal issues occur, the services of a lawyer will be needed.

### 3.2.2. Insurance for business and yourself

Getting insurance policies from reputable companies can protect your business when natural and financial disasters occur. Choose insurance policies that can best protect your business by comparing terms and conditions and prices. Look at the insurance companies' track record and find out what other entrepreneurs think about these insurance companies.



#### **Something To Do**

Search for at least three insurance agencies that provide protection to properties and life. Compare their costs and benefits.

### 3.2.3. Online and offline security

There are essential issues you need to keep in mind when you decide to use ICTs in your business.

If you decide to use more of your computer and general ICTs to manage your finances, human resources, inventory and various documentations for your business, do not forget that computer security is crucial. It is advisable to install and use a good antivirus software. On Internet sites you can find a good selection and analysis of various antivirus and Internet security tools available. There are also several good and totally free antivirus solutions.

Using the search engine, you will find a good analysis of the free tools available, as well as the link to the places where you can download a product of your choice.

Your personal security matters whether online or offline.

Online, avoid scams and fraud, and phishing, which are messages from your e-mails and social media accounts that may require you to reveal your password (identity theft), and other crucial information (bank account numbers, credit cards and the like). Be wary of “get rich quick” messages and promotions.

Offline, you must be protective of your business premises. Ensure proper lighting and correct wiring or electrical installations. If you can afford it, invest in computer cameras (CCTV) where you can monitor business activities.

### **Intellectual property rights (IPR)**

An entrepreneur must be aware of IPR. When you have created or invented a product that is unique and one of its kind, you can apply for intellectual property rights. It means that you can enjoy and protect the use of your creation over a period of time from others who may claim business rights over it. Countries have laws that govern IPR. Aside from inventions, these may include literary, artistic works, designs, symbols, names and images used by branded businesses.<sup>24</sup> Find out about this so you can ensure that your products are protected.

At the same time, you will need to be on the alert for imitations or fake brands, especially if you are in the reselling business. You have to be careful about this so that you will not be subject to legal repercussions. Make sure that you are not violating any laws related to IPR to avoid unnecessary consequences.



#### **Something To Do**

To be aware of IPR laws in your country, search the web and read up on government trade and commerce ordinances in relation to IPR.

---

<sup>24</sup> <http://www.wipo.int/about-ip/en/>

### 3.3. Monitoring and evaluation

Monitoring and evaluation tells you how your business is performing. Your business plan that describes the functions and the activities under every function must include indicators to assess your business success. You will need to develop performance measures and standards in your business operations.

For example, key performance indicators for marketing can assess how your marketing activities and spending affect your sales and expense accounts. With this information you can decide where to increase or reduce expenses, and determine how you can recover your investments. Developing and monitoring your key performance indicators for various sales incentives such as discounts and promotions, as well as your customer service, can tell you how they have contributed to an increase or decrease in sales and profits.

Monitoring and evaluation also provides you progress indicators in relation to your annual goals, strategy and objective, and can tell you which aspects of your business you need to improve upon. It can assess customer satisfaction, product quality and your business image in the market. It can tell you whether you are hitting or missing your target sales and profits.

Monitoring includes observing and checking the risk factors in business. In *Module W1: Planning a Business Using ICT*, several types of risks were outlined. You must be aware of these risks factors that will affect your business. External monitoring refers to updating your knowledge and information about trends that will impact your business. For example, increases in fuel price or energy costs will have impact on the prices and costs of raw materials. Consequently, the price of your products will also be affected.

In many cases, monitoring and evaluation is neglected in businesses. It must be pointed out that your business plans, such as setting of targets, are connected with monitoring and evaluation of business performance. Thus, the clearer your targets (SMART goals and objectives), the better you are able to set measures—key performance indicators.

Examples of key performance indicators are related to your daily, monthly and yearly sales output versus your sales targets. Product quality versus customers' complaints or appreciation is another area that you can set targets on and monitor results based on feedback and data gathering. In your business plans, you can identify your key indicators in order to establish your monitoring and evaluation mechanisms (including, sales reports, customers' feedback and team reports).

Audit plans must be scheduled to help you monitor and evaluate your milestones and performance indicators. Monitoring must include the business environment and how your product and competitors are performing in the market in financial terms. Scheduling applications and tools for assessment such as financial statements and product performance can be used for this purpose.

Table 21 gives an example of TESCO business corporation’s key performance indicators.<sup>25</sup>

**Table 21. A monitoring and evaluation summary**

Goal focus	Key performance	Target	Actual	Variance
Buying and selling products responsibly	Supplier viewpoint: % of scores that are positive to the question “I am treated with respect”	74%	71%	-3%
Caring for the environment	Reduction in carbon emissions from our stores built before 2006 year on year	3.5%	4.9%	+1.4%
Creating good jobs and careers	% of staff being trained for their next job using the Options Scheme	6%	5.8%	-0.2%
Providing colleagues and customers with healthy options	Colleagues and customers are active with the company	9.3 million	9.5 million	+0.2 million

**How can ICTs help you to monitor and evaluate your business?** Having your own business data on software programs can allow you to review and monitor your business performance. Spreadsheet programs can easily provide you a summary of information that can help you track the progress of your business.

25 TESCO Business Case Study

## IV. CLOSING THE BUSINESS

---

### Learning outcomes

Recognize the connection between monitoring and evaluation and the closing of a business

---

A good monitoring and evaluation report can tell you if your business must come to a close.

As mentioned in *Module W1: Planning a Business Using ICT*, some causes of business failures are because of the following reasons: not having higher business purpose and vision; inadequate knowledge and competency in the business; lack of focus; fear of failure (afraid of what other people will say); lack of motivation; poor money management; undercapitalization; and limited or no team work and sharing with other people.<sup>26</sup>

Thus, the business start-up and the two-year period of the business can be critical before the growth stage of the business can occur.

Closing a business may not necessarily be because of the entrepreneur's failures. It could happen because someone wants to buy your business or merge it with their own business. Other causes may be outside of the entrepreneur's control such as a country's economic crisis, scarcity of raw materials, policy changes and the like.

When a business closes, just like when it opens, there are important things to acknowledge and must be done. There are policies or legal requirements that you must adhere to depending on where the business is located. Thus, closing requires reporting to authorities, paying fees to your staff, selling equipment and supplies, and ensuring that all other legal and social requirements are met.

---

<sup>26</sup> Tito Philips, Jr, "7 Reasons why most entrepreneurs fail in business", *Naijapreneur*, undated. Available from <http://www.naijapreneur.com/why-entrepreneurs-fail/>.

## V. SUMMARY

This module provides basic guidelines on setting up a business, and presents the various aspects of business functions and operations. The module also offers various ways ICTs can help in making the business more efficient and effective in meeting the goals of the entrepreneur.

Starting and running a business require a lot of psychological preparation, motivation and time. It can be cumbersome at first since it requires a lot of preparation and time availability, testing the passion and patience of an entrepreneur even if the business is small scale. As shown in this module, there are opportunities to succeed when you put your mind and heart to it. But even if you fail at first, it does not mean that this career has ended. The lessons of failure can deepen your understanding of the business.

Some of the lessons learned from failures and success include:

- » Finding higher purpose and being clear of your vision
- » Having adequate knowledge and competency on the business
- » Putting more focus on the business
- » Alleviating and facing the fears of failure
- » Motivating yourself and knowing what drives you to be more earnest and zealous to pursue your business goals and objectives
- » Learning how to manage your funds
- » Getting more people to believe in your business
- » Letting people help you build your business

Learning the ropes of a business is an ongoing process. Participating in self-help groups and becoming members of business associations and networks can hone your skills. You can avail of free online courses to further your knowledge and skills in business.

From a clear vision and strategy, businesses must have a plan that is not cast in stone but one that is dynamic based on what you learn from your internal and external environments. Plans are part of a cycle in every stage of the business: upon envisioning and detailed planning, you start up and implement, and then monitor and evaluate so that you can again plan and improve the business activities in the cycle.

From this module we learn that:

- » There are many activities that are entailed in setting up the business. Doing a checklist and using ICT devices and program applications can ease the job.
- » As an entrepreneur, you must comply with legal requirements in starting the business, running the business, and closing the business.
- » Conducting market research helps you identify the five Ps: your customers (**people**); your **product's** unique value; the reasonable **price** the product can be sold in the market; how the product can reach the customers (**place**); and how the customers will know what the business offers (**promotion**).
- » Resources are important to prepare and mobilize in the start-up and in running the business. These resources have to be identified, used judiciously, and must be accounted for. In the mobilization of resources it is important that you are able to seek good information to develop, plan and implement your business activities. People are important part of your business, not only as customers but also as your support groups. You need to further your social skills in business in relation to business promotion, networking, building resources and capital, and managing your business team.
- » Searching for reliable and valuable information is a key to learning how you can mobilize your business resources.
- » You must be patient in recording your finances, including your expenses and sales, and planning your budget. You may consider investing in accounting and financial recording systems to help you manage your finances. You must separate your personal and business funds.
- » You must be able to monitor and evaluate business performance, learn from it and make the results of the monitoring and evaluation a basis for the next fiscal planning and business cycle.

# ANNEX

## Facilitators' Guide

### A. Objectives of the module

The purpose of this module is to introduce potential women entrepreneurs to starting up and managing a business, and how ICTs can help in the process. It provides fundamental business concepts, analytical tools and basic ICT applications in starting up and managing a business. In consideration of the needs and preferences of women entrepreneurs, the module provides case examples and suggested activities for women to start applying ICT and non-ICT tools to their businesses. The key learning objectives of the module are:

O1 – To provide basic guidelines on starting up a business

O2 – To present the various aspects of business operations

O3 – To introduce the usefulness of ICT applications in starting-up and managing a business

### B. Learning outcomes

Upon completion of this module, a participant will be able to:

L1 – Recall the connection of women empowerment with entrepreneurship, and the use of ICTs in starting up and managing a business

L2 – Appreciate the linkage of women entrepreneurship with the general domain of business, specifically planning, set-up and management of an enterprise, and how ICTs can be useful in the process

L3 – Appreciate the significance of the entrepreneur's motivation and need for time management in pursuing a business

L4 – Recognize the importance of complying with government regulations and standards in business

L5 – Understand what a market is, and the value of preparing and doing market research in business

L6 – Identify and analyse the processes of resource and fund mobilization in setting up a business

L7 – Comprehend the different business functions in managing a business and how ICTs can be applied to facilitate these functions

L8 – Appreciate the value of protecting one's business in relation to legal, physical and online threats

L9 – Understand the importance of monitoring and evaluation of the business performance

L10 – Recognize the connection between monitoring and evaluation and the closing of a business

*Note:* This is not an ICT literacy course. There are programmes that focus on ICT literacy training. The facilitator connected with a learning institution, a governmental or non-governmental organization may avail of programmes prior to the conduct of this training module.

## C. Purpose, audience and suggested duration

### For policymakers

If the purpose is to brief policymakers about the module, the presentation can run for about 30 minutes to an hour.

### For the training of facilitators

If the purpose of the training is to conduct a training of trainers course, the duration of the training will vary depending on the background of the training participants. Those familiar with using desktop and mobile applications will have an easier time navigating the materials and exercises. For those with limited or no ICT knowledge, it will be helpful for them to take an ICT literacy training course prior to this WIF training programme. In the training course, it may be helpful to combine those who have limited or no ICT knowledge with those who are ICT literate. It will be helpful if the training participants (would-be facilitators) have some business experience in selling products or delivering

services in either the formal or informal sector. The duration of the training may run for 1 to 2 days or 8 to 16 hours.

#### For the training of women entrepreneurs

If the purpose of the training is to train women entrepreneurs, the duration of the training will again vary depending on the background of the women entrepreneurs. It is suggested that those with limited or no ICT knowledge take an ICT literacy training course prior to this WIFI programme. In the training course, it may be helpful to combine those who have limited or no ICT knowledge with those who are ICT literate. The duration of the training may run for 12 hours on staggered 2-hour basis over a one- or two-week period to ensure that women are able to take time out from their daily responsibilities to participate in the course.

### D. Training preparations

**Conduct of training needs analysis.** You as a facilitator must check the background of the participants. Find out about their age and civil status (whether married or single), their entrepreneurial experiences, and ICT background (whether they use mobile phones and/or computers, do they know how to use simple applications). It will also be helpful if participants are able to share their expectations prior to the training. This will help you plan the training to match the expectations of the participants. A training needs analysis can be conducted through a short questionnaire survey that training participants need to complete prior to the training.

**Localization.** Currently the UN-APCICT WIFI materials are written in the English language. Translation of the concepts and the exercises may be required in some countries. You must be familiar with the training participants' economic, social and cultural backgrounds, and accordingly tailor the training to their local context. This involves the development and use of local cases and exercises, and the demonstration of local applications and websites with local language content. Exercises using popular social media sites or websites can be a starting activity for the participants. For example, if the country's government has websites that provide information about business registration and licenses, show and direct the discussion to this website. Similarly, using popular social media sites to show how local businesses market their products will be more meaningful to the participants and enable them to quickly grasp the relevance and uses of ICTs.

**Preparation for the conduct of exercises** requires practice and pre-testing. Have a group of colleagues to help you in the pre-testing of the localized exercises to provide you with feedback and suggestions for improving the exercises. If materials and equipment are needed in some of the exercises, make sure that these are ready before the conduct of the activities.

## E. Delivery and conduct of the training

**Use of local language** is preferred and found to be more effective.

**To stimulate discussion, some principles of adult education** are found useful and effective. Specifically, you as a facilitator must provide time for participants to bring into the discussion their own knowledge and experience. You must be able to allay the participants' fears from the usual classroom or traditional school discussion, and make clear that the training is an opportunity to test their ideas with direct application to their lives. Encouraging them to share their thoughts and experience will help you identify the context and level of experiences. This will give you a sense of direction and ability to direct the training to meet participants' expectations, and at the same time fulfil the module and programme objectives. Part of your preparation for the training is to have ready some simple and non-intimidating questions to initiate discussions.

**Other suggested methods** include:

**Storytelling and use of anecdotes.** This method is very powerful and gets the attention of participants. If you have entrepreneurial experience, sharing your own stories will be captivating to the participants.

**Use of local cases and exercises.** Have at least three local cases and three exercises ready to explain the concepts and core messages of the topics that will be discussed during the training. If computers and Internet facilities are available, show short local videos about successful cases of women entrepreneurs. If these are not available yet, you may translate some of the video materials in your language. It is also encouraged that you produce short video materials and photos that reflect the local context.

**Empowerment and entrepreneurial stories of participants.** If participants have empowerment and entrepreneurial experiences, let them share these during the discussion. They can easily be your resource persons on certain topics. You can easily spot them when you have done the training needs analysis.

**Use of games and group activities.** Have group games and role playing activities during the training to enliven the participants.

**Group activities.** Usually women participants feel more at ease and confident in groups, especially in doing the exercises. You may consider forming mixed groups by bringing together those with and without ICT knowledge and those with and without entrepreneurial experience. The mood and atmosphere during the training can be set up and structured in such a way that those who know more will share responsibilities with you to help those who may know less about the topics being discussed.

**Ice breakers.** Have short and brief activity breakers ready in case the participants feel sleepy or anxious.

**Review and summary of important messages and topics.** It is important to repeat, review and summarize the important aspects of the topic. Let the participants do this if they are willing, and always provide opportunities for participants to share their insights related to the topic and core messages.

## F. Training evaluation

To assess objectives and learning outcomes of the training, an evaluation must be conducted immediately at the end of the training. UN-APCICT has evaluation templates of training activities. This can be localized and used to get structured feedback from participants. This will allow improvement of the content and method of the training activities.

## G. Post training monitoring and evaluation

If the training forms part of a programme of an institution (whether a governmental or non-governmental organization), the following activities are suggested to follow the participants of the programme:

**Monitoring of participants.** The training needs analysis can be taken as baseline data for the training programme. The UN-APCICT WIFI programme will be interested to know the effectiveness and impact of the training in the different countries, particularly the application of the training modules in the lives of the participants. The training institution or programme can design simple post-training evaluation to measure the effectiveness of the programme.

**Community/Women organizing.** Support for women entrepreneurs in the community can include the organization of women to actively pursue their economic empowerment activities. They may form self-help or support groups that will provide a venue for women entrepreneurs to share knowledge and experiences, and support each other in business and personal matters.

**Coaching and mentoring.** Women can be supported by providing them additional services such as entrepreneurial and ICT coaching and mentoring. In coaching, women entrepreneurs will be facilitated to undertake activity targets in relation to their business planning, start-up and management. In mentoring, the women entrepreneurs will be given more specific and tailored advice and guidance so that they can take their actions to more advanced levels.

**Evaluation of learning outcomes.** It will be ideal if the training institution or programme can include the WIFI programme as part of the institution’s or programme’s evaluation activities. The learning outcomes can be used as a guide to measure the impact of the training. UN-APCICT can be asked for support to develop the evaluation questions for this purpose.

## H. Suggested chronology, description and duration of session topics

Section A: Introduction to managing a business using ICTs	
<p><b>Session 1: Introduction and overview</b></p> <p>(Suggested duration: 30 minutes)</p>	<p><b>Learning outcome:</b></p> <p>L1 – Recall the connection of women empowerment with entrepreneurship, and the use of ICTs in starting up and managing a business</p> <p><b>Key topic:</b></p> <ul style="list-style-type: none"> <li>· Introduction to the module</li> </ul> <p>You as facilitator will engage the participants to recall what they learned from the core modules on women empowerment, entrepreneurship, business planning and the role of ICTs.</p> <p>L2 – Appreciate the linkage of women entrepreneurship with the general domain of business, specifically planning, set-up and management of an enterprise, and how ICTs can be useful in the process</p> <p>You will explain the business process cycle and the connection between the business plan, the start-up and the management of the business activities. You will also show some real-life examples of how women entrepreneurs are using ICTs at these different phases of the cycle.</p>

<p><b>Session 2: Motivation and time availability</b></p> <p>(Suggested duration: 45 minutes)</p>	<p><b>Learning outcome:</b></p> <p>L3 – Appreciate the significance of the entrepreneur’s motivation and need for time management in pursuing a business</p> <p><b>Key topic:</b></p> <ul style="list-style-type: none"> <li>· Motivation and time availability of women entrepreneurs</li> </ul> <p>You will lead the participants to a review of the entrepreneur’s desirable characteristics (from the Core Topics) and facilitate a discussion on motivation and time management. The participants will be introduced to ICT tools in time management.</p>
<p><b>Section B: Setting up a Business</b></p>	
<p><b>Session 3: Complying with national and local regulations</b></p> <p>(Suggested duration: 60 minutes)</p>	<p><b>Learning outcome:</b></p> <p>L4 – Recognize the importance of complying with government regulations and standards in business</p> <p><b>Key topic:</b></p> <ul style="list-style-type: none"> <li>· Complying with national and local business regulations</li> </ul> <p>You as facilitator will present the importance of compliance with government requirements. This topic will be linked with the session on business protection.</p> <p>If the host country has websites with information on business industry requirements, taxation, health requirements, etc., you will introduce them to the participants in this session.</p>

<p><b>Session 4: Doing market research</b></p> <p>(Suggested duration: 180 minutes)</p>	<p><b>Learning outcome:</b></p> <p>L5 – Understand what a market is, and the value of preparing and doing market research in business</p> <p><b>Key topics:</b></p> <ul style="list-style-type: none"> <li>· What is a market</li> <li>· What is market research</li> </ul> <p>You will discuss and elicit inputs from the participants on the things they learned about the business environment in <i>Module W1: Planning a Business Using ICT</i>. The discussion will focus on the elements of marketing and the benefits of conducting market research. You will use the walk-through cases and case examples to enhance the understanding of key concepts and approaches.</p> <ul style="list-style-type: none"> <li>· How to do market research</li> </ul> <p>You will engage the participants in the steps and the different ways of conducting market research by showing various examples. You will also engage participants in the preparation of interview guides and survey questions that covers the 5Ps in marketing. You will discuss about how the participants will conduct the interviews. The participants will then be grouped according to the 5Ps for an exercise on market research. A discussion on how to analyse data and the use of ICTs in market research will follow.</p> <ul style="list-style-type: none"> <li>· The 5Ps in marketing</li> </ul> <p>You will lead the participants in the discussion of the 5Ps: People, Production, Price, Place and Promotion. Using lessons from the group activities including the case examples and hands-on exercises, use various ICT programs to come up with a better marketing plan for the business walk-through case(s).</p>
---	---

<p><b>Session 5: Resource mobilization</b></p> <p>(Suggested duration: 90 minutes)</p>	<p><b>Learning outcome:</b></p> <p><b>L6</b> – Identify and analyse the processes of resource and fund mobilization in setting up a business</p> <p><b>Key topics:</b></p> <ul style="list-style-type: none"> <li>· Information seeking</li> <li>· Networking</li> <li>· Financing the business: Making money available</li> <li>· Banking plan and preparing financial records</li> <li>· Purchasing equipment and raw materials</li> <li>· Hiring human resource</li> </ul> <p>You will discuss each topic with the use of the walk-through cases and inputs from the participants' experiences.</p> <p>The participants will also be introduced to some ICT programs and websites to show their usefulness or relevance based on the business examples.</p>
<p><b>Section C:</b> <b>Running a Business</b></p>	
<p><b>Session 6: Business functions</b></p> <p>(Suggested duration: 180 minutes)</p>	<p><b>Learning outcome:</b></p> <p><b>L7</b> – Comprehend the different business functions in managing a business and how ICTs can be applied to facilitate these functions</p> <p><b>Key topics:</b></p> <ul style="list-style-type: none"> <li>· Business functions</li> <li>· How ICTs can be used in general management, inventory management, production, marketing and sales, human resource, and finance and administration</li> </ul> <p>You as facilitator will introduce the different business functions and what these aspects entail. The participants will be provided with examples using the walk-through case, demonstrations of ICTs applications, and hands-on exercises on selected functions.</p>

<p><b>Session 7: Protecting your business</b></p> <p>(Suggested duration: 45 minutes)</p>	<p><b>Learning outcome:</b></p> <p><b>L8</b> – Appreciate the value of protecting one’s business in relation to legal, physical and online threats</p> <p><b>Key topics:</b></p> <ul style="list-style-type: none"> <li>· Regular legal compliance</li> <li>· Investing in insurance for business</li> <li>· Online and offline security</li> <li>· Applying and observing intellectual property rights</li> </ul> <p>You will link the topic on legal compliance with Session 3 on complying with national and local regulations. The topic on investing in insurance will be discussed in relation to the physical infrastructures and the occupational safety of people. Online security will be discussed in relation to the threats of using computers and the Internet. The participants will be given tips on how to protect themselves and their businesses online. Issues related with applying and observing will also be shared and discussed in this session.</p>
<p><b>Session 8: Monitoring and evaluation</b></p> <p>(Suggested duration: 30 minutes)</p>	<p><b>Learning outcome:</b></p> <p><b>L9</b> – Understand the importance of monitoring and evaluation of the business performance</p> <p><b>Key topic:</b></p> <ul style="list-style-type: none"> <li>· Monitoring and evaluation (in relation to business plans)</li> </ul> <p>You will introduce the functions of monitoring and evaluation and its importance for tracking the performance of businesses.</p> <p>The participants will be asked to participate in group exercises that will help them identify resources using ICT and non-ICT tools.</p>
<p><b>Session 9: Closing the business</b></p> <p>(Suggested duration: 30 minutes)</p>	<p><b>Learning outcome:</b></p> <p><b>L10</b> – Recognize the connection between monitoring and evaluation and the closing of a business</p> <p><b>Key topic:</b></p> <ul style="list-style-type: none"> <li>· Closing the business</li> </ul> <p>You will link the business closing topic to monitoring and evaluation and factors that contribute to business closure and failures. The participants will be given inputs on the legal requirements in closing one’s business.</p>

**Session 11: Summary and conclusions**

(Suggested duration: 30 minutes)

In this session, ask the participants to present what they learned from the module sessions. The learning will be summarized in relation to the objectives and expected learning outcomes of the module.

## I. The mini-workbook

In places where there are no computers and Internet, and for participants with limited ICT background and prefer to manually do the exercises, you can prepare and copy the tables that can provide useful analysis to the participants. You can create a mini-workbook that participants can use as their notebook to show their progress in the modules.

## J. The WIFI Entrepreneurs' Game

**Purpose:** To illustrate the entrepreneurship ecosystem and the business environment through a game.

**Description:** The game is a learning exercise. It will be approached through a role playing activity. It has a tight schedule. The whole exercise will run for a total of 30 minutes followed by a 20-minute session for participants to share their learnings.

1. Each participant will have a role to play (some will be playing multiple roles). The retail entrepreneurs will have the same role in all 5 rounds. For the others, they will be assigned multiple roles.
2. There are 5 rounds of activities at an average of 5 minutes per round.
  - » Round 0 – 5 minutes - General instruction
  - » Round 1 – 5 minutes – Retailers buy from wholesalers
  - » Round 2 – 5 minutes – Retailers borrow money from bank/microfinance institution
  - » Round 3 – 5 minutes – Production
  - » Round 4 – 7 minutes – Sales pitch
  - » Round 5 – 5 minutes – Consumers buy from retailers

### **Preparation of materials:**

1. Raw materials for retail entrepreneurs (this will be sold by wholesalers)
  - » Cupcakes or bread (24 pieces)
  - » Toppings:
    - Dried peanuts – 1 pack 25 grams; repacked 10 to 15 times
    - Marshmallows – 1 pack 20 grams; repacked 10 to 15 times
    - Chocolate chips or M&Ms – 20 grams; repacked 10 to 15 times
    - Mint or candy sprinkles – 15 grams; repacked 10 to 15 times
    - Raisins – 10 packs of 5 grams each; repacked 10 to 15 times
  
2. Equipment for retail entrepreneurs (this will be sold by wholesalers)
  - » Spoon, fork and knife (5 sets)
  - » Trays or paper plates (5 sets); repacked according to number of wholesalers
  - » Scissors (5 pairs); repacked according to number of wholesalers
  - » Transparent tape (5 rolls); repacked according to number of wholesalers
  - » White paper (5 sets of 3); repacked according to number of wholesalers
  - » Marker, crayons or pen; repacked according to number of wholesalers
  - » Paper bags for use to repack 2 grams toppings – label each according to raw material or equipment
  - » Hand gloves (5 sets – 2 pieces each)
  - » Masks (5 sets – 2 pieces each)
  - » Hairnet (5 sets – 2 pieces each)
  
3. This activity will need 1 large table and 10 tables and chairs spread around in a circle. Place 5 sets of tables and chairs on one side of the circle and another 5 sets on the other side with spacing between them. On the large table, all the materials will be laid out for the participants to pick according to their corresponding roles.
  
4. Print out the roles given below. Fold the cut-outs of the different roles and place them in a transparent bowl.
  
5. WIFI Currency – Use 3 coloured papers to produce the WIFI Currency. Assign each colour for the following values: WIFI 1.00, WIFI 10.00 and WIFI 0.25 (coin). The amount of WIFI currency to produce will depend on the number of participants. Place the money in envelopes and label them according to the role.

Instructions: You as facilitator will –

- i. Introduce the game by sharing the objectives of the activity.
- ii. Ask participants to find a partner.
- iii. Assign a timer who will monitor the time per round.
- iv. Ask the pair of participants to pick a role from the transparent bowl. The pair of participants must not tell other pairs who they are.
- v. The pairs will find their tables. The left side is for the retail entrepreneurs and the right side is for the wholesale entrepreneurs, the bank, the microfinance institution and the business, tax and health inspector.
- vi. Ask the pairs to read the instructions given on the paper they picked, and each pair of participants will be allowed 3 minutes to discuss their role(s).
- vii. Distribute the WIFI money once the roles are identified.

Role	Total WIFI amount	Number of WIFI 10.00	Number of WIFI 1.00	Number of WIFI 0.25
Wholesale entrepreneur 1	150	12	25	20
Wholesale entrepreneur 2	100	8	15	20
Wholesale entrepreneur 3	70	5	15	20
Wholesale entrepreneur 4	50	3	15	20
Wholesale entrepreneur 5	20	1	5	20
Retail entrepreneur 1	70	5	15	20
Retail entrepreneur 2	100	8	15	20
Retail entrepreneur 3	50	3	15	20
Retail entrepreneur 4	25	1	10	20
Retail entrepreneur 5	10		5	20
Bank and microfinance institution	150 (plus 50 for consumer role in Round 5)	17	25	20
Business, tax and health inspector	50	3	15	20

- viii. Each round will be timed accordingly and you will announce the number of each round.
- ix. At the last round you will ask the entrepreneurs how much they earned.
- x. After the role playing, you will lead the participants in a discussion to share their insights.

## The roles:

**Wholesale entrepreneur 1.** Your main product is **cupcake** (wholesale is at least 5 pieces per sale). The cost price of the cupcake is WIFI 1.00 per piece. You will sell the wholesale cupcakes at WIFI 3.00 - WIFI 5.00.

Your other product is **cupcake toppings** (wholesale is at least 3 packs per sale). The cost price of the cupcake toppings per piece is WIFI 0.50. You will sell the wholesale cupcake toppings at WIFI 1.00 - WIFI 2.00.

Your buyers are the retail entrepreneurs. They will haggle with you and it is up to you to set the wholesale price at a profit.

**At Round 5** you will be a consumer. You will be a Class A consumer, which means you are very selective of products that you buy based on product quality. You will be buying the product of the cupcake retailers. You will choose the best of the retailers, one that will suit the quality criteria no matter how much the price is.

---

**Wholesale entrepreneur 2.** Your main product is **cupcake toppings** (wholesale is at least 3 packs per sale). The cost price of the cupcake toppings per piece is WIFI 0.50. You will sell the wholesale cupcakes at WIFI 1.00 - WIFI 2.00.

Your other wholesale product is **cupcake** (wholesale is at least 5 pieces per sale). The cost price of the cupcake per piece is WIFI 1.00. You will sell the wholesale cupcakes at WIFI 3.00 - WIFI 5.00.

Your buyers are the retail entrepreneurs. They will haggle with you and it is up to you to set the wholesale price at a profit.

**At Round 5** you will be a consumer. You will be a Class A consumer, which means you are very selective of products that you buy based on product quality. You will be buying the product of the cupcake retailers. You will choose the best of the retailers, one that will suit the quality criteria no matter how much the price is.

---

---

**Wholesale entrepreneur 3.** Your product is **cupcake toppings** (wholesale is at least 3 packs per sale). The cost price of the cupcake toppings is WIFI 0.50. You will sell the wholesale cupcakes at WIFI 1.00 - WIFI 2.00. Your buyers are the retail entrepreneurs. They will haggle with you and it is up to you to set the wholesale price at a profit.

**At Round 5** you will be a consumer. You will be a Class B consumer, which means you are quite selective of products that you buy based on product quality. You will be buying the product of the cupcake retailers. You will choose the best of the retailers, one that will suit the quality criteria no matter how much the price is.

---

**Wholesale entrepreneur 4.** Your product is **equipment for cupcakes** (wholesale is at least 2 pieces per sale). The cost price of the each piece of equipment is WIFI 0.50. You will sell the wholesale equipment at WIFI 1.00 - WIFI 2.00. Your buyers are the retail entrepreneurs. They will haggle with you and it is up to you to set the wholesale price at a profit.

**At Round 5** you will be a cupcake consumer. You will be a Class C&D consumer, which means you are very selective of products that you buy based on price (the cheapest in the market). You will be buying the product of the cupcake retailers. You will choose the best of the retailers, one that will suit your price criteria.

---

**Wholesale entrepreneur 5.** Your product is **health equipment for food workers** (wholesale or retail is at least 2 pieces per sale). The cost price of the equipment per piece is WIFI 0.50. You will sell the wholesale equipment at WIFI 1.00 - WIFI 2.00. Your buyers are the retail entrepreneurs. They will haggle with you and it is up to you to set the wholesale price at a profit.

**At Round 5** you will be a cupcake consumer. You will be a Class C&D consumer, which means you are very selective of products that you buy based on price (the cheapest in the market). You will be buying the product of the cupcake retailers. You will choose the best of the retailers, one that will suit your price criteria.

---

---

**(Note: The retail entrepreneur role will be printed 5 times and should be raffled to 3 to 5 pairs depending on the size of the class.)**

**Retail entrepreneur.** You are a cupcake entrepreneur. You will have to buy raw materials and equipment to create a food product. You have other competitors so you will need to create value to your business (to make yourself different from others). You will need at least WIFL 70.00, which you may or may not have. If you do not have this amount, you will need to borrow from a bank or microfinance institution.

Round 1 - You will have to buy your raw materials and equipment from wholesale entrepreneurs. You will be operating with limited capital so you have to get the best price in order to profit. If you do not have enough money, wait for round 2 to borrow from a bank or a microfinance institution. The activity will run for 5 minutes.

Round 2 - If you do not have sufficient capital, you can negotiate and borrow from a bank or a microfinance institution. The activity will run for 5 minutes.

Round 3 – You will create your product using the raw materials and equipment that you have purchased. While preparing the new product, bear in mind the legal and health safety issues. The activity will run for 5 minutes.

Round 4 – You will be thinking of the name for your product and how you will sell it. Prepare a one-minute sales pitch to the consumers to explain your product's unique value. You may use ICTs to sell your product to the consumers.

Round 5 – The consumers will buy from you. This will run for 5 minutes. Convince the consumers to buy from you. In this round you will need to know how much profit you gained or did not gain.

---

**Bank.** You are a bank at **Round 2**. Retail entrepreneurs will borrow from you. You are strict and will tell the retailers what your requirements are regarding interest rates and payment schedules, and you will negotiate. You will deduct

10 per cent interest from the loan amount of between WIFI 50.00 to WIFI 100.00. The activity will run for 5 minutes.

**At Round 5** you will be a cupcake consumer. You will be a Class C&D consumer, which means you are very selective of products that you buy based on price (the cheapest in the market). You will be buying the product of the cupcake retailers. You will choose the best of the retailers, one that will suit your price criteria.

---

**Microfinance institution.** You are a microfinance institution at **Round 2**. You are a friendly institution to women. Retail entrepreneurs will borrow from you. While you are strict you will be guiding the entrepreneur about interest rates and payment schedules. You can lend WIFI 30.00 to WIF 50.00 to each borrower. The activity will run for 5 minutes.

**At Round 5** you will be a cupcake consumer. You will be a Class B&C consumer, which means you are very selective of products that you buy based on quality and price. You will be buying the product of the cupcake retailers. You will choose the best of the retailers, one that will suit your price criteria.

---

**Business, tax and health inspector.** You are from government and you will visit the retailers at **Round 3**. Within 5 minutes, you will check the entrepreneurs one at a time to see if they have the following:

- Business name and registration
- Tax registration
- Health and safety measures – is the entrepreneur wearing the following:
  - gloves
  - mask
  - hairnet while preparing the food

You will recommend continuity or suspension of the business at the end of Round 3.

**At Round 5** you will be a cupcake consumer. You will be a Class B&C consumer, which means you are very selective of products that you buy based on price and quality. You will be buying the product of the cupcake retailers. You will choose the best of the retailers, one that will suit your price and quality criteria.

---

### Questions to facilitate discussions and insights:

1. What happened? How much money did you gain?
2. What helped the entrepreneurs?
3. What did not help?
4. What did you learn from the exercise?
5. How can ICT devices and programs help the entrepreneurs?

### K. Additional resources for training/preparation

Asia Pacific Women's Information Network Centre, Innovative Strategies for Andean Women's Participation in Digital Economy (2012-2014) eBiz Training (Training of Trainers for Rural Women Entrepreneurs). For training materials, please contact APWINC. <http://www.women.or.kr/>

Catherine Lang and Marina Biasutti, Entrepreneurial Training "Owning your Future". Available from <http://www.slideshare.net/JacquelineRichardson/entrepreneurial-training-manual-owning-your-future>.

Dandy Victa, *Work-At-Home Entrepreneurship: A Practical Guide for Filipinos with Disabilities* (Quezon City, National Council on Disability Affairs, 2014). Available from <http://www.ncda.gov.ph/wp-content/uploads/2015/01/e-copy-Work-At-Home-EBook.pdf>.

Food and Agriculture Organization, *Promoting Rural Women's Cooperative Businesses in Thailand: A Training Kit* (Bangkok, 2004). Available from <http://www.fao.org/docrep/004/ad499e/ad499e00.htm>.

Hewlett-Packard (HP) LIFE online courses for entrepreneurs. Available from <http://www.life-global.org/>.

Intel Learn Easy Steps. Available from <http://www.intel.com/content/www/us/en/education/intel-easy-steps.html>.

Intel Entrepreneurship Basics (E-Basics). Available from <https://educate.intel.com/employability/e-basics/>.

Intel, *Women and the Web: Bridging the Internet gap and creating new global opportunities in low and middle-income countries* (2012). Available from <http://www.intel.com/content/www/us/en/technology-in-education/women-in-the-web.html>

International Labour Organization, *Can ICTs Help Me Improve My Business: A brief handbook for micro and small entrepreneurs from Latin America and the Caribbean*. Available from <http://www.oitcinterfor.org/sites/default/files/canicthelp.pdf>.

International Labour Organization, *Gender and Entrepreneurship Together: GET Ahead for Women in Enterprise – Training Package and Resource Kit* (Bangkok, Berlin and Geneva, 2004). Available from [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/documents/publication/wcms\\_116100.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_116100.pdf).

Microsoft and ASEAN Foundation, *ICT Curriculum 2013: ICT training programs for small- and medium-sized enterprises*. Available from <http://www.unapcict.org/ecohub/resources/ict-for-smel/training-programs-guidelines/microsoft-asean-foundation-ict-curriculum-ict-training-programs-for-small-and-medium-sized-enterprises-smes>.

Microsoft Digital Literacy. Available from <https://www.microsoft.com/en-us/DigitalLiteracy>.

Philippine Commission on Women, *Development of a Gender and Financial Literacy Module*, undated. Available from <http://pcw.gov.ph/publication/development-gender-and-financial-literacy-module-results-partnership-between-pcw-great-women-project-and-napc>

Steve Mariotti, *Entrepreneurship: Owning Your Future*, eleventh edition (New York, Network for Teaching Entrepreneurship and Pearson Education, 2010). Available from [http://assets.pearsonschool.com/asset\\_mgr/current/201323/entrepreneurship\\_se\\_final\\_pdf.pdf](http://assets.pearsonschool.com/asset_mgr/current/201323/entrepreneurship_se_final_pdf.pdf).

United Nations Conference on Trade and Development, *Empowering Women Entrepreneurs through Information and Communications Technologies: A Practical Guide* (New York and Geneva, 2014). Available from [http://unctad.org/en/PublicationsLibrary/dtlstict2013d2\\_en.pdf](http://unctad.org/en/PublicationsLibrary/dtlstict2013d2_en.pdf).

UNESCO-UNEVOC, Starting My Own Small Business: Training Packages on Entrepreneurship.  
Available from <http://www.unevoc.unesco.org/go.php?q=Starting%20my%20own%20small%20business>.

# ABOUT THE AUTHOR

## UN-APCICT

The United Nations Asian and Pacific Training Centre for Information and Communication Technology for Development (UN-APCICT) is a subsidiary body of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). UN-APCICT aims to strengthen the efforts of the member countries of ESCAP to use information and communication technology (ICT) in their socio-economic development through human and institutional capacity building. UN-APCICT's work is focused on three pillars:

1. Training – To enhance the ICT knowledge and skills of policymakers and ICT professionals, and strengthen the capacity of ICT trainers and ICT training institutions;
2. Research – To undertake analytical studies related to human resource development in ICT; and
3. Advisory – To provide advisory services on human resource development programmes to ESCAP members and associate members.

*UN-APCICT is located at Incheon, Republic of Korea.*

*<http://www.unapcict.org>*

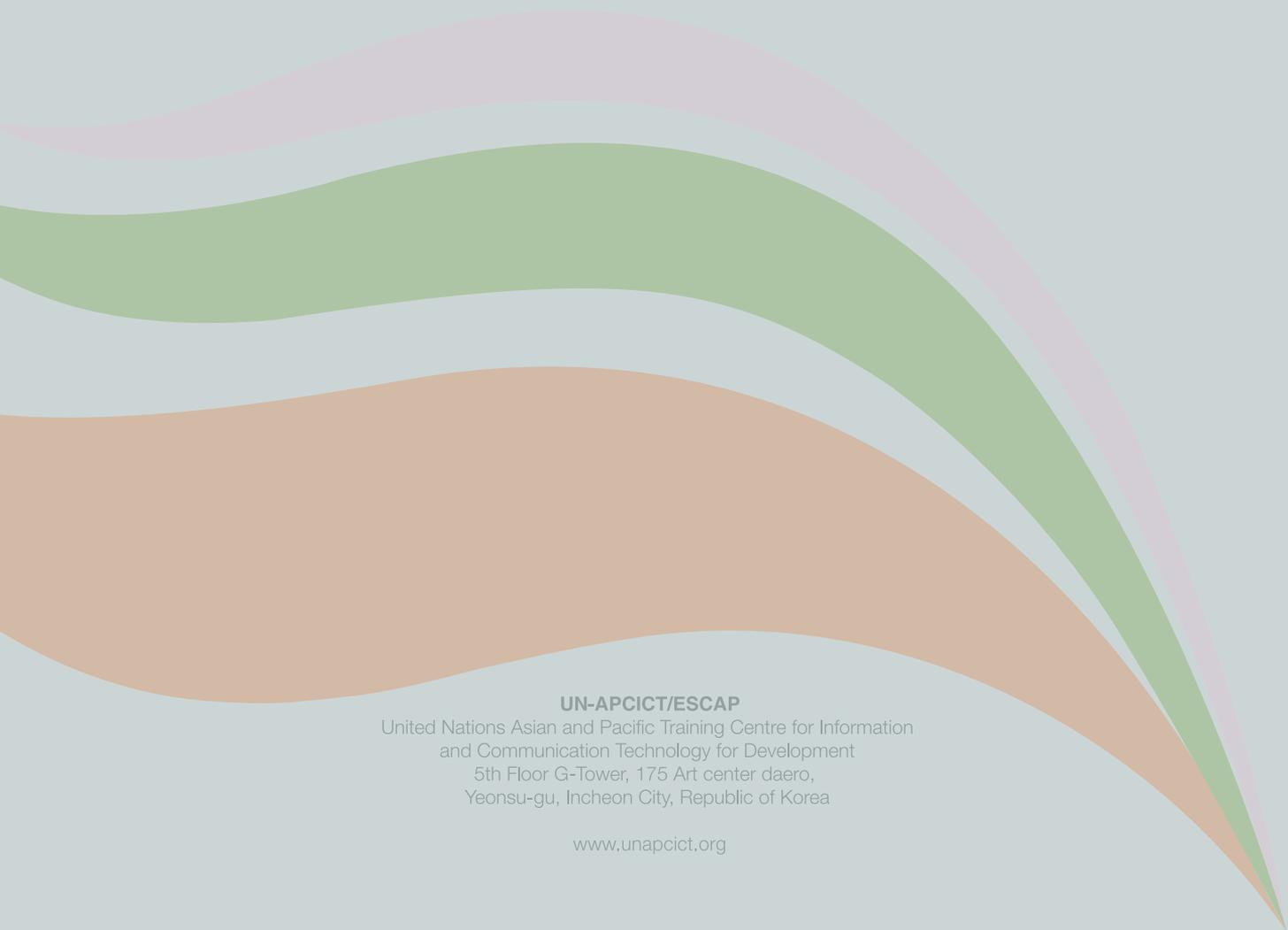
## ESCAP

ESCAP is the regional development arm of the United Nations and serves as the main economic and social development centre for the United Nations in Asia and the Pacific. Its mandate is to foster cooperation between its 53 members and 9 associate members. ESCAP provides the strategic link between global and country-level programmes and issues. It supports governments of countries in the region in consolidating regional positions and advocates regional approaches to meeting the region's unique socio-economic challenges in a globalizing world. The ESCAP office is located at Bangkok, Thailand.

*<http://www.unescap.org>*







**UN-APCICT/ESCAP**

United Nations Asian and Pacific Training Centre for Information  
and Communication Technology for Development  
5th Floor G-Tower, 175 Art center daero,  
Yeonsu-gu, Incheon City, Republic of Korea

[www.unapciict.org](http://www.unapciict.org)