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1. Introduction

Restless Development is a youth led development agency, operating in Zimbabwe supporting young people in the areas of civic participation, livelihoods and sexual and reproductive health rights. Working in Zimbabwe since 1985, the organisation has become a leading youth-led development agency, pioneering a highly cost-effective model of youth volunteer-led peer education for livelihoods and employment. It has over 25 years of experience of delivering quality interventions in Zimbabwe targeting young people.

In August 2012, Restless Development International contracted Transition International to review its work in the area of livelihoods and recommend models and capacity for scale up in Zimbabwe. In view of the livelihoods review conducted, Restless Development Zimbabwe engaged a consultant to develop this resource manual to be used in the Comic Relief funded project described in the brief below.

In 2012, Restless Development launched an innovative project targeting People Living with HIV/AIDS (PLWHAs) and Orphans and Vulnerable Children (OVC). In this project, Restless Development targets a change in the quality and scale of livelihood programmes developed for PLWHAs and OVCs, building on successful youth-led approaches by developing a critical mass of civil society organisations and support structures implementing best practice, and sharing learning across government and civil society. The ‘new approaches’ of the livelihoods programme, has three core phases:

1. Piloting a range of livelihood interventions
2. Capturing learning and best practice
3. A structured programme of capacity building, advocacy and sharing and learning for government and civil society to roll out best practice

This manual intends to counter the current prevailing situation in terms of youth and their livelihoods by helping to place youth at the forefront of leading development. One of the most effective ways in which to achieve this goal is by ensuring that young people acquire the vital skills and knowledge for them to pursue meaningful livelihood opportunities. Therefore this manual deals directly with how young peoples’ capacity can be built in a practical manner thereby improving their opportunities. This is also in line with main principles in the Millennium Development Goals, the African Youth Charter as well as the Zimbabwe Youth Policy.

The manual is supported by a facilitator’s guide which is a step by step guide on initiating and managing livelihood initiatives for PLWHAs and OVCs. The users of both the manual and facilitator’s guide are Restless Development staff, teachers and other local level stakeholders involved in responding to the needs of PLWHAs and OVCs.

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1 Restless Development Zimbabwe is a local, Zimbabwean Private Voluntary Organisation which holds a licence agreement with Restless Development International which provides technical support to strengthen capacity and systems for delivery on programme quality, finance and other organisational development issues.
2. What are Livelihoods?

The term ‘livelihood’ in this context refers to the assets available to people and how they use these to sustain their living. A livelihood becomes sustainable when a family or a community has sufficient assets and the capability to use them to create a life free from hunger, disease, illiteracy and all other factors associated with poverty.

It also becomes sustainable when a family or a community can withstand a shock or trend that threatens their livelihood. Social and human developments are also essential parts of a sustainable family or community existence. Capital assets such as a stable family life, equitable access to community institutions and an education, however basic, are also needed. Likewise, access to medical facilities, comfortable housing and a supply of clean water are prerequisites.

Livelihoods may be defined as:
- Ways of keeping oneself meaningfully occupied,
- By using one’s endowments (human and material),
- To generate adequate resources,
- To meet the requirements of the household,
- In a sustainable manner.

Livelihoods therefore go far beyond generating income. A livelihood is also much more than employment.² Having a source of livelihood enables someone to live in decency and dignity. At the same time it increases the following:
- Independence
- Self-Confidence
- Dignity
- Respect
- Participation in decision making processes

² PRADAN and BASIX (2001): ‘A Resource Book for Livelihood Promotion’ Hyderabad, India
2.1 WHAT IS A LIVELIHOOD INTERVENTION?

The increasing rate of unemployment, poverty and destitution faced by people across the world has seen inter-governmental, governmental and non-governmental agencies and organisations designing and implementing activities that are geared towards providing or promoting livelihood for those affected. In Zimbabwe several livelihood related initiatives have been implemented in every region of the country. Livelihood interventions may take various forms and may include promoting wage employment and self-employment.

However, it should be noted that interventions are not only limited to providing employment and self-employment (income generation); in most cases they go beyond this to include activities that can influence the livelihood of a whole group of people or a community or country. This may depend on the financial and human resources of the intervening agency or organisation. Activities discussed include:

- Encouraging a shift from subsistence farming to cash crop production,
- Value chain development-value addition to agricultural products,
- Establishing markets within local communities and encouraging inter-community trading,
- The promotion of irrigated and mechanical farming,
- Promotion of other forms of livelihoods such as entrepreneurship and career development.

2.2 LIVELIHOODS AND PEOPLE LIVING WITH HIV/AIDS

Like all human beings PLWA need access to livelihood opportunities. However, there is the need to promote extra support to them given their health conditions. These interventions should be geared towards assisting them access to:

- Livelihood activities that demand less use of energy,
- Activities that could be undertaken within their localities and reduce the possibility of travelling,
- Markets within their communities.

These activities should be able to assist them take care of themselves and their families. Activities designed for intervention have to be based on an opportunity mapping exercise through which existing opportunities and markets could be identified.

In the areas of Restless Development’s intervention in Zimbabwe, agriculture and entrepreneurship form the key activities undertaken in local communities. Activities undertaken are clearly defined in this manual with sessions mapped out to ensure that PLWA are trained and assisted in activities that will provide support to them.

2.3 LIVELIHOODS AND ORPHANS AND VULNERABLE CHILDREN

In Zimbabwe there is a high percentage of OVCs in part due to the high HIV prevalence rate in the country which causes children to lose their parents to the disease. Additionally, the level of poverty in the country has rendered many families unable to take care of their children. These groups are especially vulnerable to poverty shocks.
There is the need for OVCs to either go to school or become involved in livelihood activities. Livelihood interventions for OVCs can take the following forms:

- Interventions geared towards keeping those below 18 in school,
- Interventions geared towards providing vocational skills and other livelihood support mechanisms to enable them access employment or become self-employed.

This manual provides a clear structure on how OVCs and PLWHAs should be engaged in training activities that will enable them live in decency and dignity.
3. **LIFE SKILLS**

**Learning objectives:**
At the end of the session the participants will understand:
- the different forms of life skills
- the significance of life skills to an entrepreneur
- how life skills can help make someone a good team player

UNICEF defines life skills as “a behaviour change or behaviour development approach designed to address a balance of three areas: knowledge, attitude and skills”. The UNICEF definition is based on research evidence that suggests that shifts in risk behaviour are unlikely if knowledge, attitudinal and skills-based competency are not addressed. Life skills are essentially those abilities that help promote mental well-being and competence in young people as they face the realities of life.

This session will form part of the beginning of all trainings for OVCs and PLWHAs. It will enable them understand that a blend of life skills and other technical or vocational trainings will put them in a good position to overcome the challenges they are bound to face.

**Exercise 3.0.1: Identifying life skills**
Think about what skills you use in everyday life to help you get by. Write your most important skill on the flashcard you are given. Then as a group try and categorise your collective skills. Think about which skills are important for creating a successful livelihood- are there any skills missing?

This will be an introduction to the different sessions below.

3.1 **CRITICAL THINKING**

Critical thinking is the identification and evaluation of evidence to guide decision making. A critical thinker uses broad in-depth analysis of evidence to make decisions and communicate his/her beliefs clearly and accurately.

A critical thinker should:
- Be open minded and take into consideration existing alternatives,
- Try to learn about the issue at hand and listen to different sources,
- Examine information received and judge its credibility,
- Seek clarification when in doubt,
- Reach a reasonable conclusion after thoroughly examining all information or details received,
- Have confidence in the decision reached and be able to defend it.

Beneficiaries should be encouraged to be careful thinkers and to closely examine information or data received especially in the field of business. A failure to carefully examine information received may have negative consequences for one’s business or enterprise.

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3.2 Decision Making

In life, we are continually faced with situations in which we must make decisions. We are faced with a range of options in day to day life and have to select a choice from the options available. This in most cases is a difficult process and making the right or wrong decision will depend on the information available to the person, and what the opportunities the person may have. Both in the business world and in the family sphere and communities’ people have to make decisions every day.

**Exercise 3.2.1: Decision making role play**

You will be given a scenario in which a character has to make an important decision. In groups discuss how the character will make the decision- what will they think about? Who might help or prevent them from making a decision? What will be the result of their decision? When you have answered these questions create a short role play acting out how your character will make their decision and why.

3.3 Inter-Personal Communication

This includes verbal and non-verbal communication, active listening, and the ability to express feelings and give feedback. Also in this category are negotiation/refusal skills and assertiveness skills that directly affect ones’ ability to manage conflict. Empathy, which is the ability to listen and understand others’ needs, is also a key interpersonal skill. Teamwork and the ability to cooperate include expressing respect for those around us.

**Exercise 3.3.1: The importance of communication**

The facilitator will now do an exercise with the participants involving blindfolds.

The participants should write down three things about communication that they learned from this exercise;

1.
2.
3.

3.4 Building Self-Esteem and Confidence

Self-esteem and confidence are important to the growth and development of an individual. They are also very meaningful in building and developing relationship or partaking in business ventures. A lack of self-esteem and confidence will have negative consequences on an individual and may cause them to:

- See themselves as inferior,
- Lack the ability to stand up and speak their mind,
- Withdraw from society,
- Lose faith in themselves,
- Not realise their full potential.

This session is geared towards assisting participants in understanding the need to build on their self-esteem and confidence. The above-mentioned topics will be dealt with.
**Exercise 3.4.1: Recognising strengths and weaknesses**

Using the materials given to you make a collage of yourself and the important things in your life. When you are doing it think about the things you are good at, the things you want to improve about yourself, things that make you happy and things that make you sad.

Once you have finished your collage write down what you believe are your strengths and weaknesses around the edge of the drawing. What are the things you are good at and those you are not good at? Using a coloured pen underline what you believe to be your biggest strengths and your biggest weaknesses. Share your strengths and weaknesses with the group.

**3.5 Challenging negative attitudes and beliefs**

To challenge negative attitudes and beliefs one has to have a good value base. Our values can influence the way we think and behave and also the way we interact and relate to people.

**Exercise 3.5.1: Values and behaviour**

It is important to recognise how our values can influence our behaviour. Discuss the values on the cards given to you by the facilitator. Where have these values come from? What behaviour might result from these values?

**Exercise 3.5.2: What are your values?**

(This will apply mostly for PLWHAs as it may be difficult for OVCs to fully identify their own value systems. However, the exercise should be carefully explained in the local language to enable them undertake it.)

On a card write down the following:

- What does the word ‘value’ mean to you?
- Where do values come from?
- What are your personal values?
- How do they influence your behaviour?

**3.6 Coping and self-management**

In overcoming the challenges of stress, trauma and decision making one needs to have good coping and self-management skills. Such skills are also needed in coping with illnesses and moving on with life. Coping and self-management skills are particularly important for PLWHA and OVCs as these groups are likely to face more challenges than other less vulnerable groups in society.

**Exercise 3.6.1: Easy and difficult**

Look at the list of scenarios below. Decide whether you would find the situation easy, OK or difficult to deal with. Why? Once you have finished the list sit with a partner and discuss your an-
answers. Swap ideas about how to deal with the situation- do you find some things easier than your partner? Do you find some things more difficult?

PLWHAs

<table>
<thead>
<tr>
<th>Situation</th>
<th>Easy</th>
<th>OK</th>
<th>Difficult</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your girlfriend/boyfriend cheats on you</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Someone calls you a rude word</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>You lose your cell phone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A group of people laugh at you behind your back</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The condom breaks when you are having sex</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Someone close to you dies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>You catch the flu</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your boyfriend/girlfriend pressures you to have sex</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

OVCs

<table>
<thead>
<tr>
<th>Situation</th>
<th>Easy</th>
<th>OK</th>
<th>Difficult</th>
</tr>
</thead>
<tbody>
<tr>
<td>Someone calls you a rude word</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Your teacher tells you off for talking in class</td>
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<tr>
<td>Someone hits you in the playground</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Someone close to you dies</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>You catch the flu</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>You cannot get something you want</td>
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**3.7 Motivation to be Involved in Livelihood Groups**

Livelihood groups are groups that are formed constituting 5 to 10 beneficiaries, working closely together. It is important to know what motivates the participants to be involved in livelihood groups.

**Exercise 3.7.1: Why should I join a livelihood group?**

Pick one of the following three scenarios. Read the case study carefully and then write down three motivating factors for why your character is involved in a livelihood group. When you are finished discuss in your groups the answers you have come up with. Do you have similar answers to the other people in your group?

**Scenario 1:** John has a small piece of land. John can only grow a small extra amount of vegetables to sell once his family has eaten. He sells his produce on a stall by the roadside but he must tend to his crops a lot of the time so he does not have much time to sell. John has heard that there is a group of small farmers who divide their labour and sell their vegetables at a larger stall at the market. John is interested in joining this group.

**Scenario 2:** The family of Thomas is facing a very difficult time. Thomas is young and wants to help improve the living condition within his household. However, he does not own any land or farming tools, although he has engaged in agricultural activities before. He has heard that there is a group of young people in his village who have decided to work together. Fortunately for Thomas, the group needs more people to build up their labour force and also provide skills in farming that they currently lack. They believe these additional skills will help increase their harvest.
Scenario 3: Precious is a very hard working 17 year old girl who goes to school. She is faced with the challenge of paying her fees and buying books. She is looking for a source of livelihood that will enable her to pay her school bills. She likes agriculture but does not have a piece of land, or resources needed to rent a piece of land, or agricultural tools. Precious was told by her friend Janet that a group has been formed that brings people together to work on agricultural projects. The group is working towards selling their products within the community as those in it are young or not very well and are unable to travel far to access markets. For Precious, this is good as she will not be able to travel to other communities to trade because of school.

Motivating factors?
1.
2.
3.

What are the strengths and weaknesses of this livelihood group?

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weakness</th>
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4. Understanding Entrepreneurship

Learning objectives:
At the end of the session the participants will understand:
• the meaning of entrepreneurship
• the skills that an entrepreneur should have
• the types of enterprises existing

**KEY WORD: Entrepreneurship:** the capacity and willingness to develop, organize and manage a business venture, along with any of its risks, in order to make a profit. It is the pursuit of opportunity beyond resources controlled.\(^5\)

**KEY WORD: Entrepreneur:** An entrepreneur sees an opportunity which others do not fully recognise, to meet an unsatisfied demand or to radically improve the performance of an existing enterprise. They have unquenchable self-belief that this opportunity can be made real through hard work, commitment and the adaptability to learn the lessons of the market along the way. Entrepreneurs are not diverted or discouraged by skepticism from 'experts' or from those from whom they seek backing and support, but are willing to weigh all advice and select that which will be helpful. They are prepared not just to work seriously hard but to back their judgment with personal investment at a level which will cause problems if they are wrong about the opportunity. They understand that achievements are the result of team work and know how to choose the necessary blend of talents and inspire them with their vision.\(^6\) An entrepreneur is any person who creates and develops a new enterprise idea and initiates its launch.

**KEY WORD: Business:** is a regular occupation, profession or trade that somebody becomes involved in.

**Exercise 4.1: Who is an entrepreneur?**

With a partner, think of some examples of entrepreneurs that you know in your community. Think about people who own small or medium scale businesses in your town and what kind of business they have. What skills does an entrepreneur need to be successful? Present your ideas back to the group.

**Skills of an entrepreneur**
A good entrepreneur should have a blend of personal and inter-personal skills that will be useful in beginning and developing his/her enterprise.

**a) Personal skills:** A good entrepreneur should be:
• creative and should have the capacity to spearhead new initiatives,
• able to identify existing opportunities and invest in them,
• a critical thinker and should make informed decisions,
• able to analyze and take reasonable risks,
• a disciplined and committed person.

**b) Inter-personal skills are skills that have to do with dealing with others. A good entrepreneur should be:**

---

\(^5\) Professor Howard Stevenson, Harvard Business School

\(^6\) Chris Oakley, OBE, Chapter Eight.
• a good listener,
• able to discuss business plans in a clear and convincing manner with (potential) partners and other stakeholders,
• a leader or demonstrate leadership when there is the need,
• a team player when in partnership or cooperatives,
• have a sense of humility and can deal with difficult situations

Exercise 4.2: How Entrepreneurial Are You? Questionnaire

This entrepreneurial self-evaluation activity will help you gain a greater self-understanding as you determine if you have the traits found in successful entrepreneurs. Read each question and circle the letter of the sentence that describes you the best.

1. Are you self-motivated?
   a) If someone gets me started on something, I can keep going and get the job done. (7 points)
   b) I like to do things my own way and come up with my own ideas about how to accomplish things. (10 points)
   c) I prefer not to overdo it. I really don't like putting myself out unless it is really necessary. (5 points)

2. Are you a leader?
   a) I usually let people lead themselves. (5 points)
   b) I can get people to do things but it's pretty difficult. (7 points)
   c) Most people go along with my ideas without too much difficulty. (10 points)

3. How organized are you?
   a) I like to make plans before I start something, and I stick to my plan until it's done. (10 points)
   b) I just take things as they come. I don't like to stifle my possibilities with too many plans. (5 points)
   c) If things don't go according to my plan, I take this as a sign...”it wasn't meant to be”. (7 points)

4. How do you feel about people?
   a) Most people drive me crazy. (5 points)
   b) I have enough friends. I make new ones only when necessary. (7 points)
   c) I really enjoy people and get along with them very well. (10 points)

5. Are you a good worker?
   a) I can work hard and push through until the goal is accomplished. I don't mind working hard. (10 points)
   b) I will work hard if I know it will pay off right away. (7 points)
   c) I prefer not to overdo it. I am very creative about coming up with ways to avoid hard work. (5 points)

6. Can you make decisions?
   a) I want time to make up my mind. I like to check things out with my friends first. (7 points)
   b) I like to make my own decisions good or bad, I am willing to put up with the consequences. (10 points)
   c) I would rather have others make the decisions. What if I make a mistake? (5 points)

7. Can people trust you?
   a) I try to avoid hurting people's feelings and say what I think they want to hear. (7 points)
b) I tend to say things in a straightforward way, even if other people may not agree with me. (10 points)
c) I really don't care if people trust me. I do and say what I want. (5 points)

8. Can you “stick” with something?
a) I usually finish what I start. (7 points)
b) If something goes wrong or I find it too difficult, I don’t fight it. (5 points)
c) If I set a goal and make up my mind to do something, nothing stops me. (10 points)

9. Do you take responsibility?
a) I like to take charge and see things through. (10 points)
b) I’ll take over if I have to but I prefer to let someone else be responsible (7 points)
c) There’s always a bossy person around. Let them do it. (5 points)

10. Are records important to you?
a) I understand the importance of records but they stifle my creativity. (7 points)
b) Records are critical to help me measure my success. (10 points)
c) I keep records in my head and I can figure it out as I go. (5 points)

Now look at your answers. There should be ten answers circled. Take the number of points in parenthesis after each of your answers and add them all together. If you would like to use a calculator to add your point total, you may do so. The sum of your total points should be no larger than 100 and no smaller than 50. Use the figures below to describe how entrepreneurial you may be.

(100-86) You have very strong entrepreneurial characteristics. Take time to find out what you love to do and become the best at it. You have what it takes to become a successful entrepreneur.

(85-71) If you truly have a desire to be an entrepreneur and you scored in this range, determine your weaknesses and overcome them. Remember, learning to do something well builds confidence.

(70-50) You may want to consider working in a position where you are more secure and comfortable. The risks and commitment level required of an entrepreneur may be difficult for you at this time. If you want to become more entrepreneurial, set some goals and go after them.

Why is training important?
Entrepreneurship training can positively impact entrepreneurs as it provides them with practical skills that they require when they are ready to set up their business venture. Education and training can “strengthen the need for achievement, alleviate fear of failure and enhance self-confidence”.

What practical skills do you think you need to become an entrepreneur? What training do you think it is important to have?

---


Exercise 4.3: What is a business?

Think about what the word BUSINESS means to you. Think of three businesses that operate in your community. What sort of things do they do? How many people are involved? Then think about the word PROFIT. What does it mean? What does a profit look like?

KEY WORD: Business is an activity operated for the purpose of earning a Profit by providing a service or a product. It involves a businessperson putting money into the business activity.

KEY WORD: Profit is the amount that remains after subtracting the cost of providing the service or product from what one gets after selling. When the production cost is higher than sales, the business makes a loss.

KEY WORD: Capital is an amount of finance provided to enable a business to acquire assets and sustain its operations.

Businesses can be classified according to their activities as follows:

Manufacturing/Production - Make or process raw materials into finished products

Service - Provide labor that does not produce a tangible product.

Retail - Selling goods to consumers in small quantities

Agriculture – Growing crops or rearing livestock for sale or consumption. This could be at a small, medium or large scale, such as a plantation.

KEY WORD: Finished good/product- This is an item that has undergone all processing and is ready for the market or consumer.
5. UNDERSTANDING BUSINESS UNITS

Learning objectives:
At the end of the session the participants will understand:
- the different business units that exist
- the advantages and disadvantages/challenges of the different units
- how to identify solutions to these challenges

Exercise 5.1: Types of business activity

Think back to the session you just did on entrepreneurship. Can you remember the different types of enterprises that you discussed? Write down all the types of entrepreneurial activities, think of an example of each kind of entrepreneurial activity that you have written down.

e.g.

<table>
<thead>
<tr>
<th>Type of entrepreneurial activity</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Taxi driver</td>
</tr>
</tbody>
</table>

Think about how many people are involved in each enterprise example that you have given- is it just one person in charge or are there several? On flip charts, write down the advantages and disadvantages of the different forms of enterprises that you have thought of.

Types of enterprise
There are two types of enterprises; **sole proprietorship** and **partnership**. Partnerships have different categories and they include cooperatives and incorporations.

**Type 1. Sole Proprietorship**
This is referred to as a ‘one man enterprise’. The proprietor (owner) provides the capital. This capital may be derived from his/her personal savings, loan from family members, friends or a financial institution. The proprietor controls and manages the enterprise and if profit is made he enjoys it alone and if he incurs a loss he bears it alone.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Not much capital is required for the formation</td>
<td>• Very time demanding</td>
</tr>
<tr>
<td>• The proprietor is able to take quick decisions</td>
<td>• Potential of making wrong decisions as they are not properly thought through</td>
</tr>
<tr>
<td>• Profit is enjoyed by one person</td>
<td>• Limited possibility of having capital for expansion of the enterprise</td>
</tr>
<tr>
<td>• There is privacy</td>
<td>• Death or incapacitation may lead to the closing of the enterprise</td>
</tr>
<tr>
<td>• The enterprise is operated at the convenience of the owner (he/she opens and closes as he/she chooses)</td>
<td>• Losses are dealt with alone</td>
</tr>
<tr>
<td>• More effort is put into the business as the owner is aware of the consequences of not doing so</td>
<td></td>
</tr>
<tr>
<td>• Not much documentation is required for its formation</td>
<td></td>
</tr>
</tbody>
</table>
There is liberty to employ family members
A close relationship with customer can be formed

KEY WORD: Liability: the responsibility for a company’s debt or other obligations. Some forms of enterprise organizations, such as a sole proprietorship, have unlimited liability, meaning that the owner is personally responsible for the debts and obligations of the enterprise, and lenders or courts may look to the owner’s personal assets for payment of these obligations. Limited liability organizations, such as corporations, allow lenders and courts to only seize the assets of the enterprise rather than the assets of the owners.

**Type 2. Partnership:**
This a group of people who come together to achieve a common goal. Partnerships range from partnerships between individuals, to partnerships involving small, medium, or large business groups. There are three types of partnerships
a) Ordinary partnership
b) Cooperative and
c) Corporation (Limited company)

**Types of Partnerships**

(a) Ordinary Partnership

A partnership is a relationship that exists between two or more people in the formation of an enterprise with a view of making a profit. The capital is provided and owned by the partners and is managed and controlled by them. In order to establish the terms of the partnership, and to protect partners in the event of a disagreement or break-up, a partnership deed or agreement should be drawn up – it is wise to have a solicitor prepare this contract to clearly and officially state the rights and duties of each partner. In most countries partnerships are guided by a Partnership Act.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large capital available as each partner contributes</td>
<td>Bad relationship between or among the partners may affect the enterprise</td>
</tr>
<tr>
<td>Ensures division of labour</td>
<td>Death or withdrawal of the partner may lead to the closure of the enterprise</td>
</tr>
<tr>
<td>Diverse specialties become available</td>
<td>Partners are answerable to the debts of the business</td>
</tr>
<tr>
<td>More heads to make a decision so difficult to make a bad one</td>
<td></td>
</tr>
<tr>
<td>Not much legal formalities needed to dissolve it</td>
<td></td>
</tr>
<tr>
<td>Ability to take loan is great</td>
<td></td>
</tr>
</tbody>
</table>

(b) Cooperatives

A cooperative is a business set up so that the surplus or profit can go to its members. The first cooperative society was formed in Toad Lane, London in 1884 by 28 members and was known as ‘Rochdale Ploners’. Capital is provided and owned by the members. The profit is shared based on the investment made by each member. At the same time a loss is suffered by all the members. There are two types of cooperatives namely: Producers Cooperative Society and Consumers Cooperative Society.
Principles of Cooperative Societies

- Should have an open membership policy
- Democratic control i.e. voting is done on a one man one vote basis
- A predetermined rate of interest is paid on shared capital
- No voting by proxy, members have to be present to enable them vote
- Profit/loss is shared according to each member’s patronage

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>No limit to number of members</td>
<td>Potential of mismanagement by members</td>
</tr>
<tr>
<td>Usually has government inputs or support</td>
<td>Too much government interference may affect its operation</td>
</tr>
<tr>
<td>Provides low interest on loans to members</td>
<td>Profit is usually non-taxable, this reduces government revenues</td>
</tr>
<tr>
<td>Owned and controlled by members</td>
<td>Members usually lack the ability to professionally run the cooperatives especially when it is becoming bigger. There is normally the reluctance to employ specialist staff.</td>
</tr>
<tr>
<td>Democratic control: one member, one vote</td>
<td>Longer decision making process</td>
</tr>
<tr>
<td>Limited liability</td>
<td>Requires members to participate in order to be successful</td>
</tr>
<tr>
<td>Profit distribution (surplus earnings) to members is in proportion to use of service; surplus may be allocated in shares or cash possibility due to the development of conflict between members</td>
<td>Extensive record keeping necessary</td>
</tr>
<tr>
<td>Can grow into a large scale business because of the nature of the capital</td>
<td>Less incentive to invest additional capital</td>
</tr>
</tbody>
</table>

(c) Corporation (Limited Company)

A corporation is a legal entity which is separate and distinct from its members (shareholders). Each shareholder has limited liability (they cannot be held personally responsible for the debts, obligations, or acts of the corporation beyond the amount of share capital the member has invested). A corporation also has perpetual succession, whereby its existence does not depend on the continued membership of any of its members.

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited liability</td>
<td>Closely regulated</td>
</tr>
<tr>
<td>Possible tax advantage (if you qualify for a small enterprise tax rate)</td>
<td>Most expensive form to organize</td>
</tr>
<tr>
<td>Specialized management</td>
<td>Charter restrictions</td>
</tr>
<tr>
<td>Ownership is transferable</td>
<td>Extensive record keeping necessary</td>
</tr>
<tr>
<td>Continuous existence</td>
<td>Double taxation of dividends</td>
</tr>
<tr>
<td>Separate legal entity</td>
<td>Shareholders may be held legally responsible in certain circumstances</td>
</tr>
<tr>
<td>Easier to raise capital</td>
<td>Personal guarantees undermine limited liability advantage</td>
</tr>
</tbody>
</table>

Exercise 5.2: Forms of partnership

What are the three forms of partnership? In pairs, write down an example of each form.
1.
2.
3.
In addition to the three types of partnership there are also three types of partner:

a) Active partner: They contribute capital, share profit and loss and take part in the day to day running of the enterprise
b) Dormant or sleeping partner: They contribute capital, share profits and losses, but do not take part in the day to day running of the enterprise
c) Nominal or Quasi partner: Their names are used in the partnership but do not contribute capital nor share profit or loss and do not take part in the day to day administration of the enterprise. Normally their names are used to boost the enterprise.

KEY CONCEPT: Partnership Deed
This is an agreement that is developed and agreed upon by partners when forming an enterprise and it will include the following:

- How much each partner will contribute
- Roles to be played in the management and control of the enterprise
- How are accounts going to be kept and audited
- How disputes should be settled
- Whether partners should be paid for services rendered
- Duration of the partnership
- Steps in withdrawing capital when a partner wants to leave the partnership
- Interests to be paid for additional capital provided

Exercise 5.3: Business bingo

Match the definition to the correct key term below.

<table>
<thead>
<tr>
<th>Partnership deed</th>
<th>They contribute capital, share profit and loss and take part in the day to day running of the enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>Profit is the amount that remains after subtracting the cost of providing the service or product from what one gets after selling</td>
</tr>
<tr>
<td>Active partner</td>
<td>An activity operated for the purpose of earning a Profit by providing a service or a product.</td>
</tr>
<tr>
<td>Unlimited liability</td>
<td>The owner is personally responsible for the debts and obligations of the enterprise. Lenders or courts may look to the owners personal assets for payment of these debts.</td>
</tr>
<tr>
<td>Corporation (Limited Company)</td>
<td>Their names are used in the partnership but do not contribute capital nor share profit or loss and do not take part in the day to day administration of the enterprise. Normally their names are used to boost the enterprise.</td>
</tr>
<tr>
<td>Profit</td>
<td>A document setting out the agreement of the partners on how the partnership is to be conducted (including the arrangements for sharing profits and losses)</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Ordinary partnership</td>
<td>An amount of finance provided to enable a business to acquire assets and sustain its operations</td>
</tr>
<tr>
<td>Sleeping partner</td>
<td>A corporation is a legal entity which is separate and distinct from its members (shareholders). Each shareholder has limited liability</td>
</tr>
<tr>
<td>Cooperative</td>
<td>A relationship that exists between two or more people in the formation of an enterprise with a view of making a profit. The capital is provided and owned by the partners and is managed and controlled by them.</td>
</tr>
<tr>
<td>Limited liability</td>
<td>Allow lenders and courts to only seize the assets of the enterprise rather than the assets of the owners.</td>
</tr>
<tr>
<td>Quasi partner</td>
<td>A business set up so that the surplus or profit can go to its members.</td>
</tr>
<tr>
<td>Capital</td>
<td>They contribute capital, share profits and losses, but do not take part in the day to day running of the enterprise</td>
</tr>
</tbody>
</table>

**Strategies for Overcoming the Disadvantages/Challenges of Partnerships**

- Clearly define the roles and responsibilities of each member in a group (including leadership roles) and draft a constitution – in a consultative manner.
- Entrepreneur, management, and technical skills should be attained by members.
- All members should have realistic expectations, with the understanding that change will not happen overnight but will take time and perseverance.
- Ability to create and participate in value based networks and partnerships
- Access finances
- Sound governance and regulatory environment (good governance, legal and regulatory frameworks, infrastructure and fair competition)
6. UNDERSTANDING RESOURCE MOBILIZATION

Learning objectives:
At the end of the session the participants will understand:
• what types of resources are needed to start-up an enterprise
• how to identify resource providers

There are several types of resources you need to start up an enterprise.

A key resource you need is **start-up capital**. There are several potential sources of start-up capital that you can access. Brainstorm these sources below.

![Start-up capital diagram]

Sources of start-up capital include:

- Loans from family, friends, cooperatives, associations, banks, micro-credit institutions etc.
- Gifts from relatives and friends.
- Credit from suppliers
- Personal savings
- Capital provided by a partner
- Grants from supporting organisations such as I/NGOS

**Loans**

Many enterprises are started when the entrepreneur takes a loan, which will serve as **start-up capital**. The loans are normally tagged with an interest rate (a stated sum that the borrower has to pay on top of the actual amount borrowed). A one off payment could be made (full payment) or it could be done in installments (in bits at an agreed upon time).

Loans can put a lot of pressure on the entrepreneur as he/she will be constantly having the pressure of re-paying.
Loans could be obtained from the following agencies or people:

- Friends and family members
- Micro-finance Institutions
- Savings and credit cooperatives
- Suppliers (when there is trust and a good relationship existing)
- Banks
- Societies and associations

Aspiring entrepreneurs and entrepreneurs seek a loan for one or all of the following reasons:

- To begin an enterprise when there is no personal savings
- To further develop an enterprise or fill-in existing gaps
- When the entrepreneur has identified an opportunity that could bring profit in the short or medium term.

**CHECKLIST: Factors to take into consideration when seeking a loan**

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Put together a good business plan, this should include a good financial plan (cost of venture and running costs)</td>
</tr>
<tr>
<td>2</td>
<td>Develop a map of potential funding institutions within and outside your locality</td>
</tr>
<tr>
<td>3</td>
<td>Identify individuals who have secured loans from such institutions</td>
</tr>
<tr>
<td>4</td>
<td>Study the terms and conditions for the loans provided by each institution</td>
</tr>
<tr>
<td>5</td>
<td>Identify the best option for you</td>
</tr>
<tr>
<td>6</td>
<td>Realistically debate the possibility of you meeting the requirements for the loans and if successful, the possibility of paying back</td>
</tr>
<tr>
<td>7</td>
<td>Initiate discussion with the financial institution</td>
</tr>
</tbody>
</table>

In Zimbabwe, some of the requirements to secure a loan include:

- A good business plan
- Provision of collateral
- Reputable persons in the community that can serve as guarantors
- Have an account that have functioned for a specific period of time
- Should be at least 18 years
- No criminal record

**KEY WORD:** Collateral is something pledged as a guarantee for the repayment of a loan. It should be provided to the lending agency when you take a loan to prove that you will pay back the money.

**Savings**

Savings is seen as one of the most reliable of methods through which you can begin a business. Entrepreneurs using their own savings as a start-up capital show a lot of commitment and dedication as they will not want to lose their money. Also, investors will be more likely to provide loans to an entrepreneur who has proven to be successful while investing his/her own money.

**Types of savings include:**

- Bank account
- Self-help groups
- At home
- In assets
Challenges involved in saving at home as an entrepreneur

As an entrepreneur it is mostly advisable not to save money at home as there are many risks involved. These risks include:

- Losing money to fire
- Capital is stolen
- Cash is easily spent

While savings may be slow and in some cases discouraging, it can be a very effective method of gaining capital, and with patience shown it will grow, thereby allowing you to expand your business.

Internal savings will be discussed in the next chapter.

**Micro-finance institutions**

In most developing countries, micro-finance institutions have proven to be the most easily accessible source of accessing a start-up capital. People or groups with very little or no collateral prefer going through micro-credit institutions (especially those that are in local communities) instead of a bank. Micro-credit institutions provide small sums to a number of people (depending on the target number) with them having to pay at a stated time. Loans may be increased over time as the borrower proves to be trustworthy and able to meet payment deadlines.

Occasionally potential beneficiaries are required to provide a business plan and in some cases they will be asked to explain what they would want to do (particularly if they are not literate).

**Finding a partner with capital**

There are many people with good ideas that may want to begin an enterprise but do not have the capital to do so. At the same time, there are people with capital but do not have good business ideas. The challenge is how these two people connect. People with good business ideas should be pro-active in looking for people in their communities that would want to invest in their ideas.

**Grants**

The Government of Zimbabwe and other agencies provide support to small and medium-scale enterprises. This is in a bid to create a source of livelihood especially for young people as the unemployment, poverty and migration rates are very high. The support provided is called a grant. To secure a grant, potential entrepreneurs create a business plan which is submitted to the agency providing the grant. The agency will determine whether the proposal fits their criteria.

However, information on available grants is difficult to come by. Organisations supporting young people should make such information available to them to enable them seek and secure the grants.

**Exercise 6.1: Choosing the right form of start-up capital**

Look at the list of forms of start-up capital above. Write down which method you personally think is best.

**Method:**
a) Why did you choose this method?

b) Think of some advantages and disadvantages of using this form of start-up capital.

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Disadvantage</th>
</tr>
</thead>
</table>

In pairs discuss what steps do you have to take in order to access this type of start-up capital?
7. THE PRINCIPLE AND PRACTICE OF INTERNAL SAVING

Learning objectives:
At the end of the session the participants will understand:
• the concept of internal savings
• how to form and maintain savings groups

A few generations ago people used to put aside some of their harvests. The products saved would be used as seeds for the next farming season, for food in the house or to exchange for other products when they run out of them. What they were doing was ‘saving’ part of their capital for future use. In present day, with money as the currency of exchange people save within their:
• Homes
• Community groups
• Saving institutions such as banks

However, in certain communities, especially in developing countries such as Zimbabwe, most people find it difficult to save because they do not much capital in the first place. Therefore, initiatives have to be undertaken that develop internal savings in local communities especially for potential or small scale entrepreneurs who are faced with the following challenges:
• Low literacy levels
• Problems of access to capital
• Interest in using their initiatives and resources
• Interest in joining groups in order to build their own capital

However the following must be done to strengthen those targeted:
• Form strong and cohesive groups
• Mobilize their own savings, which are used as capital for their income generating activities, consumption and other basic needs
• Manage their own resources and activities
• Understand why they should be their “Own Savers, Own Bankers and Own Lenders”
• Maintain easy book-keeping systems for transparency
• Increase and improve income generation
• Increase and improve safety net mechanism in times of economic or natural crisis.
• Have by-laws or a constitution that will guide them

Key Issues

Group formation
This is the stage of bringing the group together. It consists of an initial group of people or intervening organisation deciding on what activity or activities that the group should be involved in and the number of people to constitute the group.

Group Leadership
Every group needs to have a leader set up. The group will be encouraged to decide who should lead the group. In most cases this will be rotational to allow for each member to have the opportunity to lead the group. The leader will chair group meetings, lead discussions on the growth and development of the group, be in charge of record keeping and reporting on the activities of the group. To assist the group leader a secretary will also be appointed who will help with the documentation and recording of information.

**Constitution/Bye Laws**

To guide the activities of the group a constitution or bye-law should be written by the group. In cases where there is an intervening agency, they should be guided when doing this. The constitution/bye law will define the ‘do’s and don’ts’ of the group and its members.

**Group Fund Development**

To further develop the group, its members should save profits or should task members to save a certain sum during a stated period of time. The savings made will be used to expand the investment of the group or enable it move to value chain development.

**Record Keeping**

(This is further developed in Chapter 9)

**Savings groups**

In Somalia Care Netherlands targets communities in the Sool and Sanaag regions (areas faced with poverty and destitution) and encourage people to place themselves in savings groups and put a certain agreed upon sum at a given time. This sum amount saved after a particular period will be provided to some members of the group to serve as a start/up capital for them. (The concept of lending will be discussed below). The same initiative is implemented by Concern Worldwide in developing countries. The strength of internal savings interventions is that it is not expensive and is sustainable. The intervening agency only provides technical services and does not contribute financial resources.

**Exercise 7.1: The importance of saving**

Write down three reasons why you think saving is important.

1. 
2. 
3. 

Write down three disadvantages/ risks of saving

1. 
2. 
3. 

What do you see as some of the advantages of being in a savings group?

How can such a group be formed?

What is needed to strengthen the group?

**Exercise 7.2: Forming a savings group**

Form a group of 6. Imagine that you are all rural farmers meeting for the first time. Pick one person within your group to act as a staff member of an NGO. The NGO staff should explain the concept of internal savings and its disadvantages and advantages to the rest of the group. Once this has been explained discuss with your group forming a savings group. Think about;

- What is the sum to be saved by each member?
- What is your time frame for saving?

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10 Value chain development is further explained in chapter 13.
- How will you ensure that the saving is fair?

When you have done this write a one page constitution for your savings group.
8. **THE PRINCIPLE AND PRACTICE OF LENDING**

**Learning objectives:**
At the end of the session the participants will understand:
- the concept of lending
- the need to repay loans taken and the consequences if they are not met

Many potential entrepreneurs in local communities have good ideas but no start-up capital. The concept of internal savings provides the opportunity for such people to access start-up capital. This capital comes in the form of a loan provided by an internal savings group. As discussed in the previous chapter, the group puts together a certain amount by an agreed upon time and when the savings have accumulated it is provided to some members of the group as a loan to assist them in beginning their enterprises.

**KEY WORD: Interest** is the charge for the privilege of borrowing money. Banks and other lenders often charge a small amount of money, usually a percentage of the original loan, every month. The longer you take to repay your loan the more interest you will have to pay.

**Tips on borrowing**
Loans come with interest, which is why it is important to know the conditions of each type of loan and make sure that the lender has a payback plan and also is borrowing to invest and not consume. Many people borrow for different reasons. Some borrow for the right and some borrow for the wrong reasons.
- All borrowings must have a payback plan if not, don’t borrow
- Only borrow if it is absolutely necessary
- Do not borrow for abnormal rates of interest (ask for advice about what is a normal rate of interest).

**Exercise 6.2: Repayment of loans**

“Rejoice has a small business selling honey. In order to start her business she took out a loan with her local bank to buy bee hives and a small stall in the market. Although Rejoice is making some profit with her business the bank is charging interest and she is struggling to keep up with the loan repayments.”

What should Rejoice do to make sure she can repay her loan? Think of three measures she should take to do this.

1. 
2. 
3. 

Certain conditions have to be fixed to the loan provided and they should include:
- A good plan for a small enterprise
- An agreed upon timeframe for repayment
- An agreed upon interest rate
However, the group’s bye-laws or constitution should stipulate consequences if payment is not made at the agreed time. When payments are made, more members of the group should be provided with loans to ensure that they all benefit from the savings made.

Group members who pay back the loan on time will have the possibility of receiving a higher amount when they request for a loan in the future. By paying back the first loan on time they will create the required trust and their regular repayments will help to increase the lending capacity of the group.

**Exercise 8.1: Lending and repayment in a savings group**

Get back into the savings group you were in for the last exercise. You are going to do a role play about lending and repayment. The role play should be set in two scenes. In the first scene you should play some savings group members meeting to provide loans to some other members of the group. Discussions should be centered on the amount in savings, amounts to be provided to the borrowers, the proposed payment plan and interest rates. The second scene will be of a repayment day. There should be two people paying back on the stated date with one not able to pay back. Group members will use the bye-law or constitution to punish the group member unable to repay their loan.
9. RECORD KEEPING

Learning objectives:
At the end of the session the participants will understand:
• the key steps required in good record keeping
• how to keep basic enterprise records

KEY WORD: Book keeping: the process of recording one’s financial accounts. It makes note of an enterprises’ transactions (i.e. the exchange of money (or value) coming in and going out of an enterprise).

The significance of book keeping in ISAL groups:
• Ensure that all amount saved and loans provided are properly recorded and can be accounted for,
• Provide vital information when asked for by group members
• Provide vital information to other stakeholders such as government agencies and service providers
• Enables the group to assess profit made from interests collected

The purpose of record keeping for entrepreneurs not in ISAL groups (especially PLWHA and OVCs in school):
• Maintain records of all financial transactions of a business
• Provide useful information for management decision
• Provide vital information for partners and potential stakeholders
• Provide information for government for tax assessment
• Evaluate income and expenditure
• Evaluate variances in budget and set the base for control measures
• Show the amount of assets and liabilities of a business
• Determine whether the business has made a profit or has incurred a loss

Consequences of Poor Record Keeping
An enterprise that does not keep records or has poor record keeping habits may face the following consequences:
• In an enterprise that is owned by partners trust is a key element that can make or break the enterprise. For trust to thrive there should be records kept of income and expenditure. This will save the partners from suspicion and quarrels.
• It will become difficult for the entrepreneur or group to fully remember all those who owe them; including the amount owed and dates for payments to be made. This may lead to loss of resources.
It becomes difficult if not impossible to have a clear picture of profit or loss.

**KEY WORD:** income: the amount of money *received* in exchange for a good or service that is sold.

**KEY WORD:** expenditure: the amount of money *spent or paid* out in exchange for a good or service.

**Types of Record-Keeping**
Different businesses use different record keeping methods, they use either some or all of the methods used below:

**Cash Book**
...is a book used to record income and expenditure. Every transaction made is recorded and it allows the entrepreneur to be able to account for all the resources of the business at every point in time.

**Credit book**
...is used to record the names of debtors and the details of the transactions made. It makes it possible for the entrepreneur to keep track of the debtors and demand payment at the stated time. It also used to record payments made and those that have not been made.

**Labour (Workers) book**
...is used in enterprises with employees. The employer records the work details of the employees. This means, the job they do, work done, days present or absent, salary paid or to be paid and when payment was and will be made. It guides the entrepreneur in assessing the performance or commitment of the employee.

**Inventory Book**
...is used to record all the items owned by the enterprise at every point in time. This inventory is regularly updated as it gives an overview of what is added or sold by the entrepreneur. The inventory is normally checked against the cash and credit book to ensure that information available in them matches.

**Exercise 9.1: Record keeping**

In groups discuss whether you are familiar with record keeping. How did you become familiar with the methods?

In groups decide which of the below examples of transactions fits which method of record keeping best.

Mary owns a clothes shop.
James owns a business selling vegetables.

<table>
<thead>
<tr>
<th>Transaction type</th>
<th>Which type of record keeping?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mary sells some shirts to a customer</td>
<td></td>
</tr>
<tr>
<td>James buys some potatoes from a farmer to sell in his vegetable stall</td>
<td></td>
</tr>
<tr>
<td>Mary buys a new table for her clothing shop</td>
<td></td>
</tr>
<tr>
<td>James pays his staff wages at the end of the week</td>
<td></td>
</tr>
<tr>
<td>Mary’s assistant works for five days every</td>
<td></td>
</tr>
<tr>
<td>week</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td></td>
</tr>
<tr>
<td>James takes a loan from his local savings group so he can afford a new refrigerator for his shop</td>
<td></td>
</tr>
</tbody>
</table>
Learning Objectives
At the end of this session the participants will understand:
• what a cash book is and why it is important
• how to use a cash book

As we learned in the previous chapter a cash book is a useful way of keeping a record of your payments and income- they record the money in and the money out. Cash books are simple to design and use. Transactions must be:
• Recorded immediately when an activity has occurred.
• Recorded in the presence and view of every member.
• Known by every member.
• A responsibility of every member within a group and not only the elected member.

Example of a cash book

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Price</th>
<th>Date</th>
<th>Description</th>
<th>Price</th>
</tr>
</thead>
</table>

Column 1: date
Column 2: description
Column 3: price

REMEMBER: You only put cash transactions in the cash book. Swapping or donating items do not go in the cash book.

Exercise 10.1: Using a cash book

Imagine you own a vegetable stall. Look at the list of transactions for the business below. Can you sort each statement into the cash book table below:

• A customer buys $3 of bananas on Wednesday
• On the first day of the week you pay your staff member $10
• On Tuesday you sell $34 worth of tomatoes and onions to a hotel kitchen. The next day you sell $26 of maize
• The rent for your market stall is $7. You have to pay this every Friday
• A customer buys $2 apples and $5 pineapples on Tuesday
• On Thursday you exchange a bag of beans for a hairbrush with the stall next to you
What is the total income for the week?  
What is the total expenditure for the week?
11. Costing and Pricing

Learning objectives:
At the end of the session the participants will understand:
• the difference between direct and indirect costs
• what to think about when setting prices
• how to add value to products

Costs are all of the things you pay for relating to your business. An entrepreneur must consider the different types of costs for their business. There are two different types of cost: **Direct Costs** and **Indirect Costs**.

**KEY WORD: Direct cost**: the money spent on the parts and materials that become part of your product or service - they are directly related to your business. For example:
- Cost of buying the products or material involved in producing the product
- The wages paid to people working for the business
- Money spent transporting the product

**KEY WORD: Indirect cost**: a cost to a business that is not directly related to making a product. For example: market research is an indirect cost because it does not affect the production of a good.

**Exercise 11.1: Direct or indirect costs**

Listen to the story that the facilitator reads out. On the cashbook flip chart that you made in the last session put an X next to next to all the direct costs, and an O next to the indirect costs.

**Exercise 11.2: Pricing**

Things to think about when pricing a product:
- How much did the item cost to make?
- What is the item made of? Is it a cheap material? Is it good quality?
- How long will the item last? Is it food? Will it go mouldy?
- Did you have to pay to transport the item?
- How unique is the item? Is it the only one of its kind?

**Exercise 11.2: Added value**

Go back to the drawing you did of your product. Look at the picture. Think about how you can change the product to increase its value (price). This could be as simple as adding some ribbon.
to a dress. When you have changed the product so that its value has increased write down the new price you will charge for the item. Keep adding changes to the product to increase its value. Keep going until you can’t think of anything else to do to the product. When you have finished compare the price of the product now to the original price you gave it when you first drew the item.

By how much did the value of the item increase? ........................

This difference in pricing is known as **value added**.
12. SMALL AND MEDIUM SCALE AGRICULTURAL ACTIVITIES

Learning Objectives:
At the end of the session the participants will understand:
- what small and medium scale agricultural activities are
- the different forms that are appropriate for OVCs and PLWHAs
- the activities and steps in developing crops and animal husbandry on a small and medium scale
- the concept of value chain development and how it could be useful to OVCs and PLWHAs

Farming and agro-based entrepreneurial ventures provide a huge livelihood potential for OVCs and PLWHAs in Zimbabwe. This is due to the availability of land that they can access across the country, coupled with a ready market within the country for agricultural products. Agricultural undertakings OVCs and PLWHAs could become involved with include small farming, cash crop-production, animal husbandry and product value addition activities. Researches have shown that OVCs and PLWHAs are themselves aware of the potential in agriculture and call for support from the different stakeholders to render their involvement in agriculture possible.

This session is divided into four components:
  a. Growing fruit and vegetables
  b. Livestock rearing
  c. Chicken rearing
  d. Value Chain Development (VCD)

The sessions will not only discuss how to grow fruit and vegetables and how to rear animals but also the kind(s) of farming and animal rearing that OVCs and PLWHAs are best suited to.
12.1 Growing Fruit, Tubers and Vegetables

Kind of fruits and vegetables to be grown
The facilitator should begin with trying to understand the kind of fruits and vegetable that are grown in the participants localities.

Exercise 12.1.1: Fruit/vegetables grown in local communities
List the fruits and vegetables that are grown in your community

| Community: | | |
|-----------------|-----------------|
| Vegetables      | Fruits          |
|                 |                 |
|                 |                 |
|                 |                 |
|                 |                 |

What fruit and vegetables are missing? List the produce that is not grown in your community.

| Community: | | |
|-----------------|-----------------|
| Vegetables/Tubers | Fruits |
|                  |       |
|                  |       |
|                  |       |
|                  |       |

Exercise 12.1.2: What would you like to grow?
Using the two lists you made in Exercise 12.1.1 make a list of the fruit and vegetables you would like to grow and state why you have made your choices.

<table>
<thead>
<tr>
<th>Vegetables/Fruits/Tubers</th>
<th>Reason</th>
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</tbody>
</table>

Common Fruits, Tubers and Vegetables needed in local communities
In Zimbabwe fruits and vegetables are needed in local communities especially by local families, food chains and supermarkets. Some of these fruits and vegetables are listed below:

<table>
<thead>
<tr>
<th>Vegetables/Tubers</th>
<th>Fruits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrot</td>
<td>Banana</td>
</tr>
<tr>
<td>Lettuce</td>
<td>Mango</td>
</tr>
</tbody>
</table>
Yam | Orange
---|---
Maize | Apple
Potatoes | Avocado
Cucumber | Pineapple
Onion | Sugar-cane
Pepper | Coffee
Tomatoes | Cacao
Garden eggs | Grapes
Beans | Cranberries
Peanuts | Grapefruit
Cassava | Watermelon
Cow peas | Lemon
Okra | Mandarin

Some of the listed fruits listed above are difficult to grow and some will take several years before they begin to bear fruits. These fruits include mangoes, oranges, apples etc. In order to promote livelihood especially for PLWHAs and OVCs, fruits and vegetables that take less time to grow should be the immediate focus while others could be undertaken as long term investments. Also, you should focus on low-input gardening that is less time and energy consuming.

Key issues for PLWHAs and OVCs to know when growing vegetables and tubers

- Identify the kind(s) of vegetables and tubers that will grow in the locality. Identify those that will be easy to sell and also necessary for use in the household. This will be a blend of subsistence and cash bringing venture for PLWHAs and cash for schools supporting OVCs.
- Identify the time of the year that vegetables and tubers should be planted. Planting at the wrong season will lead to a waste of energy and resources as the plants will not grow.
- The soil should be properly tilled with manure added where necessary to prepare it for planting. This will help increase productivity level.
- Solicit the help of an expert gardener (as a group or as an individual) to be in a good position to depth and space needed for planting. Overcrowding seeds in a particular area may affect their development and growth.
- Ensure sunlight and water regularly. Plants and tubers need to be watered regularly. Also they need sunlight to grow. While it may be argued that tubers are underground, the leaves that they produce will easily die if they have no access to sunlight. This will subsequently affect the growth of the tubers.
- Birds, animals, insects and pests should be controlled to ensure that they do not destroy the crops. However, the use of pesticides has to be controlled so that it does not care more harm than good to the crops and also the individuals administering them.
- Weeding should be done at regular intervals.
- Vegetables and tubers should be harvested regularly. While tubers will take a longer time to grow, vegetables take only few weeks. Failing to harvest regularly will affect the potential growth of other vegetables.

Materials needed for gardening

Materials needed may not be limited to those stated below. It is only an indication of some of the materials that will be needed.

- Hoe (for preparing the soil and getting rid of small stones and weeds)
- Rake (for clearing the soil of larger stones and weeds. Also for preparing furrows for planting seeds)
- Seeds/roots (to grow your vegetables from)
- Water cans (to give your plants water regularly and prevent them from drying out)
Exercise 12.1.3 Beginning and maintaining a vegetable garden
(This should be an outdoor session).

Using the materials provided to you, simulate beginning and maintaining a garden and the processes involved in growing vegetables and tubers. The materials provided should include:

- Hoe(s)
- Rake(s)
- Seeds
- Water cans
- Pesticides
- Sticks (for fencing)

Steps in growing fruits
While different fruits may require different forms of attention, the general steps needed in growing fruits include:

a. Identifying the kind of fruits that can easily grow in your locality (those grown and those not grown but that could be grown).
b. Identify an area where the fruit garden could be situated. The soil should be good for agriculture, with the potential of only using limited manure.
c. Sow seeds or root from a tree (in the case of banana).
d. Water regularly especially during the dry season (summer).
e. Ensure there is access to sunlight and air as this is needed for the growth and development of the tree.
f. Use a fork stake to support the tree planted at its earliest stage so it does not bend or fall. The support stake should be stuck into the ground to sustain it in the ground.
g. Protect from animals, birds, pests and insects. Like in the case of vegetables, the use of pesticides has to be controlled so that it does not care more harm than good to the crops and also the individuals administering them.
h. Support the trees with water conserving layers of wood chips or crushed rocks, this is called mulching.

Materials needed for gardening
Materials needed may not be limited to those stated below. It is only an indication of some of the materials that will be needed.

- Hoe
- Rake
- Seeds/roots
- Water can
- Pesticide
- Wood chips or crushed rocks for mulching (to help feed the soil and protect your plants)

Exercise 12.1.4 Beginning and maintaining a fruit garden
(This should be an outdoor session.)

Using the materials provided to you, simulate beginning and maintaining a garden and the processes involved in growing fruit. The materials provided should include:
• Hoe(s)
• Rake(s)
• Seeds/roots
• Water cans
• Pesticides
• Wood chip or crushed rocks for mulching
For most PLWHAs and OVCs the rearing of broilers will be one of the most convenient enterprises to be involved in. Although it may be difficult at the start, with a little experience this enterprise can be very profitable, particularly because there is a demand available for chicken eggs and meat in most communities.

Keys issues at the inception stage:
- Willingness among the group to undertake the venture and invest time into it;
- A safe and dry place that is well ventilated with access to sunlight during the day;
- Materials to build the coop for the chickens;
- Capital to buy between 50 and 100 chicks. At the beginning it is important that the group or individual does not buy more than 100 as handling too many of them will be a challenge that will lead to the death of many of them;
- Solicit the assistance of somebody with experience in dealing with chicks.

Building and maintaining a chicken coop for broilers

As stated above the kind of environment chosen is of extreme importance to the survival of the chicks. The following will be needed when preparing the coop:

a) The environment has to be properly cleaned with disinfectants used to ensure that it is bacteria free. This will be to ensure that all coccidiosis are removed from the coop. Coccidiosis can easily kill chicks more than grown chickens. It is a bacterium that is in the droppings of the chicks.

b) Minimal heat should be provided especially in the first week especially at night. This will help the chicks get the heat they need in their system.

c) The floor should be littered with soft straw, wood shavings or corn husks. Apart from providing heat for the chicks, it will serve as a bed for them and also as a playing ground. At the same time it will cushion the effects of the droppings of the chickens. However, it has to be cleaned regularly to ensure the health of the chickens.

d) Separate the chickens into different sections with the use of card boards, nets or bricks. This will ensure that they are not over crowded (save them from crushing each other) and at the same time have fresh air to breathe and space to move around. It should be noted that the following space is needed per chicken during the stated phases:

- New born to 1 month - 1/4 square foot per bird.
- 1 month to 2 months - 1/2 square foot per bird.
- 2 months to 3 months - 1 square foot per bird.
- 3 months to 4 months - 2 square feet per bird.
- 4 months to adult - 3 square feet per bird.

e) Provide water and food regularly and ensure that they are placed in clean containers (troughs) or the food in a clean plastic spread.

f) Handle them with care as they are very fragile and are not like the normal road-runners that can eat or endure anything.

g) Ensure that the place is always dry as ‘Ergot Fungus’ can easily infect chicken feed. This will lead to the loss of many chicks.

Dealing with weak or sick chickens

Chickens normally become very weak after travelling for a while and they also become weak and ill when infected by ergot fungus and coccidiosis. It becomes a very tough challenge to take care of them and make them fully recover. In trying to do so the following has to be done:
For weak chickens:

- Molasses is very effective in reviving weak chicks. One tablespoon should be placed in a gallon of lukewarm water with the chicks made to drink the water. After drinking for a while they will recover.
- Enough space and heat should be provided for them.

For sick chickens:

- Immediately it is noticed that chicks or the grown chickens are falling ill, the entrepreneur should try to immediately identify the cause of the illness.
- Couple with the identification process, the coop should be cleaned, disinfected and properly dried. If not properly dried, the dampness will cause ergot fungus or coccidiosis. Coupled with this possibility, the chicken might eat or drink the disinfectant used. This may lead to increase the death toll.
- Seek the assistance of specialists in the outbreak of a disease that is unknown to you. Trying to treat them will lead to more harm than good.

Other Challenges

1. Animals and others birds are easily attracted to chicks. For instance dogs and cats in the vicinity will try to break into the coop and chase the chicks and grown chickens. This may result to their death. Also, hawks will hunt chicks and take them away. To discourage this, the broods should be properly fenced with nets placed around it that will stop animals and birds from entering it.
2. Other chickens such as road-runners will initiate fights with the chickens when they meet. This should be discouraged. Even among the chickens the cocks have the tendency of initiating fights that may be harmful to those in the coop. Mature males with such tendencies should be taken away and placed in a different section of the coop.
3. Over eating usually leads to loss of chickens. This is due to the fact that their body support mechanisms cannot carry them as they growly rapidly. This normally leads to heart and leg failures. The amount of food given should be checked and controlled to avoid the loss of chickens.

Building a chicken coop

One of the most important things to think about when keeping chickens is the type of coop you will keep them in. use the following list as a guide when planning your chicken coop.

1. Plan the design and structure. Imagine how your chicken coop will look like – color, shape, and size. Avoid designs and colors that stand out too much. Remember, your chicken coop has to be cleaned and disinfected. Use only materials that allow easy cleaning. Make sure the doors open inwards. Make the floor slope downwards towards the opening for easier cleaning.
2. Take note of the dimensions and other specs. The size of your coop depends on the number of chickens. Each of them needs around 2 square feet of space. Make room for perch space as well. The nest boxes as well as the perches are placed on the walls of the coop.
3. Keep your chickens protected. Purchase all the necessary materials to ensure your coop’s protection. Make use of chicken wire and other forms of fencing. A sliding glass window is advisable if you want to keep them protected, but you also want to let the sun in. Make sure to use a padlock as well!
4. **Ventilation and insulation.** Face the chicken coop towards the sun. Remember, they need air to breathe but they also need to be warm during the colder seasons.

5. **Don't forget feeders!** Place them at an elevated spot so that dirt doesn’t get into the food and water.

**Exercise 12.2.1: Building a Coop**

Using the checklist list provided as a guide above draw a design for a chicken coop. Think about what materials you will use and how many chickens you will keep. It is important to remember water, food and heat arrangements.

In groups of 4 pick one of your designs to use. Using the materials provided build a chicken coop based on your chosen design.

If possible conduct an outdoor session where participants will visit a chicken brood and see how it is built. This will help build on the exercise earlier done as they will see what they left out in their exercise and how to improve on the chicken coop that they built.
12.3 Livestock Rearing (Piggery)

While there are different livestock in Zimbabwe with a ready market, the recommended livestock enterprise that PLWHAs and schools supporting OVCs should engage in is piggery.

Reasons:

- **a.** They are fast to grow unlike other livestock such as sheep and goats that take a longer period to develop;
- **b.** Easy to take care of: They can fend for themselves and they eat a wide variety of food unlike sheep and goats that are limited to grass. They are also more resistant to bacteria and viruses and face less health risks than other livestock;
- **c.** Existing knowledge base: Most communities have experience in dealing with pigs so this knowledge base can be tapped upon when challenges are faced especially with piglets;
- **d.** A great percentage of Zimbabweans eat pork and there is a ready market in every community;
- **e.** Brings profit: A sow bear an average of 10 to 15 piglets per birth and this will bring a huge level of profit when they are sold after few months.

Sty/Hog Pen

This is the housing facility for pigs. They can be built of wood, stones or bricks depending on the location of the facility and the weather condition. There should be sections built in the pen where suckling mothers will be with their piglets.

What you need to know before beginning to raise pigs

- **a.** Prepare for the arrival of the pigs. Don’t start thinking when they are already with you.
- **b.** Pens should be wide enough to provide space and ventilation. The odour from the pen may have devastating consequences on the health of the pig, so it has to be properly ventilated at all times.
- **c.** Pigs do not have sweat glands and they cannot regulate body heat on their own, so they are sensitive to heat and cold. On humid days they should be sprayed with water to keep them cool and during cold periods ensure that their beddings have about 16 inches of straw and hays.
- **d.** The pen should be cleaned and dried at regular intervals. The droppings of pigs may be harmful to their health especially when they start playing and rolling in it. This will be the case when they want to cool their system from heat.
- **e.** While spring are resistant to many bacteria and viruses they are vulnerable to certain illnesses for e.g. respiratory infections caused by pneumonia, bronchitis or lung worm; ringworm; lice, mange (crusty red patches across the head or legs), and worms. To keep them healthy they should be vaccinated with symptoms of the above stated health risks carefully watched. Female pigs have to be sprayed after 4 months to avoid cancer. They are very vulnerable to cancer especially after 10 months.
- **f.** Sexually active male pigs can become very aggressive. Children should be kept away from their vicinity to avoid injury.

Potential Challenges

- **Expensive to feed** if they are kept within the sty and not allowed to move out and are fed with commercial feed. However, this challenge could be overcome if the owners make an arrangement with restaurants, bakeries, markets etc. to receive their leftovers.
• **Conflict with neighbours:** Pigs can stray and go into the houses and gardens of neighbours. This will create conflict especially if they destroy the neighbours’ garden. It is important that the owner(s) keep a close watch on them to avoid conflict. Also, ensure that the pen of the pig has a sturdy fence.

• **Stolen:** Pigs may can be stolen if they stray too far from their pen and out of the supervision of the owner. Keep a watchful eye on your animals.

• Dogs find it amusing to chase pigs and this may result to pigs being injured. Again, to avoid this problem ensure that your pigs are kept inside a strong pen.

**Selling pigs**

A healthy pig weights about 200 pounds after 6 months. When they reach this weight they are ready for sale.

Owners can sell them;

• whole or
• slaughter them and sell in pieces

**What is needed to sell the meat?**

PLWHAs and schools with OVCs do not require many materials to market their pork. Items needed are:

• Weighing scales
• Large table to put the meat on
• Plastic sheet on the table to contain the blood
• Sharp knife and cutlass
• Plastic containers to put the meat into when sold

To know the price of the meat depending on weight and section, the schools and PLWHA should do some market research (see Chapter 13).
**12.4 VALUE CHAIN DEVELOPMENT**

Value Chain Development is the process through which value is added to a product as it passes from the production level on its way to the consumer. For instance, more value can be said to have been added to maize when it is transformed into powder, packed and taken to a market for sale. At the same time it can be processed into pop-corn, packed and sold.

Although Zimbabwe is a country rich with crops and livestock, very little food processing is done. This is due to the limited existing knowledge in communities across the country of value chain development. This section emphasises the need for training and engagement in food processing which could dramatically increase livelihood options for OVCs and PLWHAs.

However, suitable value chain development activities for PLWHAs must be low energy intensive and the key activity should be food processing. Potential activities include:

**Food processing**

a) **Fruit**
   - Process into juice, puts in packets or canned (e.g. mango, orange)
   - Dried

b) **Vegetables**
   - Processed into food-to be sold
   - Processed and packed to be sold in restaurants

c) **Animal products**
   - **Milk**
     - Butter
     - Cheese
     - Yoghurt
     - Milk processed with or without additional flavours and packaged
   - **Meat**
     - Fresh
     - Dried

d) **Sugar cane**
   - Dried and sold to sugar processing companies
   - Sugar cane juice

e) **Fish Farming**
   Fish farming is a growing enterprise that PLWHAs and OVCs can get involved in. There is a ready market for it especially in landlocked areas in Zimbabwe where fish is difficult to access. It is inexpensive and not difficult to maintain. After harvesting the fish they could be processed and sold in the following ways:
     - Dried without being salted
     - Salted and dried
     - Fried

All of these forms ensure its preservation and adds value to it when it reaches the market.

f) **Cassava/Potatoes/Banana**
   - Fried chips
   - Grounded into powder form (in a mill) and packaged

g) **Corn**
   - Processed into pop-corn
   - Grounded into powder form and packaged
   - Processed into animal and chicken feed

h) **Honey**
• Processed into honey
• Processed into wax

**Animal Hides**

Animal hides could be processed with several items produced from it that are needed in local communities. These products include:

- Belts
- Shoes
- Caps
- Jackets
- Wallets etc.

Livelihood groups consisting of PLWHAs could be encouraged to open craft shops to enable them process the above stated items. This will being immediate profit and the items will not be difficult to produce.

To introduce Value Chain Development to participants the facilitator should begin with an exercise.

**Exercise 12.4.1: Adding value to primary goods**

Participants should list down some fruits, vegetables and tubers in their communities that they process to add value to it.

<table>
<thead>
<tr>
<th>Vegetable/fruit/tuber</th>
<th>Processed into:</th>
<th>Processed into:</th>
<th>Processed into:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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(Another way to conduct this exercise in order to make it more accessible, especially for those who cannot read or write, will be to conduct an outdoor session);

**Exercise 12.4.2: Practical examples of Value Chain Development**

In the outdoor session, the participants should draw on a flip chart, a fruit, vegetable or tuber and draw pictures of some of the products that could be derived the item chosen. All participants should be asked to participate in the exercise after which they will display their pictures and make contributions of other products that could be processed from the items chosen by their colleagues.

This will open the minds of the participants towards having a picture of value chain development, the processes involved and the benefits that may be derived from it.
Learning Objectives
At the end of the session the participants will understand:
- what market research is and why it is important
- how to conduct market research within their localities
- how to access markets and sell their commodities

KEY WORD: market
1. A market is a regular gathering of people for the purchase and sale of goods and commodities.
2. A market is also;
   - The customer who NEEDS what you are selling.
   - The customer who is ABLE to buy what you are selling.
   - The customer who is WILLING to buy what you are selling.

To better assist PLWHAs Restless Development should embark on an opportunity mapping and market survey. This will be geared towards identifying the kinds of economic activities that they can become involved in that will have a ready market in their localities. This is in a bid to move away from the stereotypes of what people with HIV/AIDS can or cannot do. Interventions will be informed by the exercises undertaken.

Beneficiaries should be trained on how to access markets. Due to the health conditions of the PLWHAs and the young age of the OVCs it is important that they are linked to markets that are within their localities. In all the communities visited in Zimbabwe there is a ready market for food products. Beneficiaries will have to be made aware of where to take their products when they are ready to be sold. Local boarding schools, communities, restaurants, vegetable shops, supermarkets, motels and hotels etc provide a ready market. Market days can also be organised locally with buyers on a weekly basis at the garden sites for PLWHAs and in the schools for OVCs.
13.1 WHAT IS INVOLVED IN DOING MARKET RESEARCH?

The 4 C’s of Market Research

<table>
<thead>
<tr>
<th>Customers – The people that will buy your goods or service</th>
<th>Commodity - Your goods or service</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Who are they?</td>
<td>• What are you offering?</td>
</tr>
<tr>
<td>• How many of them are there?</td>
<td>• What are the benefits of your commodity?</td>
</tr>
<tr>
<td>• Where are they located?</td>
<td>• Is it there demand for it (do people need/want it)?</td>
</tr>
<tr>
<td>• What do they do?</td>
<td>• What is the gap in the market?</td>
</tr>
<tr>
<td>• What will they pay?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costs – The money that you are spending</th>
<th>Competition - Other business that are selling the same or similar things</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Operational costs</td>
<td>• Who are they?</td>
</tr>
<tr>
<td>• Manufacturing costs</td>
<td>• Where are they?</td>
</tr>
<tr>
<td>• Selling Costs</td>
<td>• What are their prices?</td>
</tr>
<tr>
<td></td>
<td>• How do they promote their product?</td>
</tr>
</tbody>
</table>

Exercise 13.1.1: Thinking about your market

In groups brainstorm what information about the market you think you need before starting a business. Write your answers on the flipchart.

When developing an idea or a business the most important thing is planning. The first stage of planning is marketing.

For example, we realize that everyone needs clothes. Enterprises can meet that need in a large number of ways. They can offer the consumer a range of raw material products, such as cloth, thread, or sewing machines, or they can develop some kind of processed product such as a dress, shirt, or pants.

Exercise 13.1.2: What do you know about your market?

Get into pairs. One person will be the entrepreneur and the other person will interview them.

Business person: think of an enterprise you know of in town. Imagine you own that business.

Interviewer: should ask the entrepreneur the following questions about the local market.

1. What kind of products do you sell?
2. How many people do you employ?
3. How much profit do you make?
4. Are you in a partnership?
5. What other businesses are there in your local area?
6. Do other businesses sell similar products to yours?

Look at the flipchart you made for Exercise 13.1.1. What other information should the interviewer ask about in order to get a full picture of the market that the business person is in?
Asking questions about the local market is known as **market research**.

### 13.2 MAPPING OF GOODS THAT ARE SCARCE IN THE LOCALITIES

**Exercise 13.2: Goods mapping**

Think about your local community or town. What goods are available to buy there? Write a list of all the businesses you can think of and what they sell.

1. Vegetables
2. Jeans
3. Hairdresser
4.
5.

Can you think of any goods that are difficult to get hold of?

What goods are missing from the market?

### 13.3 MAPPING OF POTENTIAL BUYERS

**Exercise 13.3: Potential buyers**

Think back to the drawing of a product you did when we discussed **value added**. Who is the product designed for? Who will use it? Using the template below, brainstorm on the type of people who would buy your product.
Potential buyers of goods sold by PLWHAs and OVCS
PLWHAs and OVCS should see to market their products within their localities. Those that they
should target include:

• Local families
• Hotels
• Motels
• Restaurants
• Boarding schools
• Vegetable stall owners
• Parishes
• Retailers

13.4 Cost of goods

Exercise 13.4: Interactive market research

The facilitator will give you a card with a product written on it. Go out to your local market and
write down the price that your product is being sold for. Visit around 5 different places so that you
get a range of different prices.
14. CUSTOMER SERVICE

Learning objectives:
At the end of the session the participants will understand:
• what good customer service entails
• why good customer service is essential and how it contributes to the success of an enterprise

The kind of service offered to customers goes a long way in making them want to buy or not buy from an entrepreneur in the future. Customer service has to do with the personal skills and business acumen of an individual. PLWHAs and schools with OVCs should ensure that they provide good customer service.

Exercise 14.1: Defining customer service and what it entails

The session should start with a brainstorming session on what customer service means and what good customer service entails?

After the session, the facilitator should read out from a flip chart earlier prepared by him/her the points stated below. She/he will compare what the participants have and what she/he has on the flip chart.

What does good customer service entail?

• Good presentation of the items sold: Items sold should be clean and presentable when put for sale.
• The business environment has to be clean and buyer friendly
• Entrepreneur should be neat and presentable
• Always smiling
• Soft spoken
• Listen attentively to the consumer
• Address their concerns and demands
• Maintain good relationship with customers

What an entrepreneur should avoid

• Arrogance
• Quarrelling with customers
• Use of bad language
• Trying to cheat or cheating customers
• Keeping an untidy business environment

Exercise 14.2: Good and Bad Customer Service

Two groups of participants (consisting of two people each) should be formed. A market scene should be set with one of the group simulating good customer service exchange with the other group simulating a bad customer service exchange.

Participants should be made to make observations on the lessons learnt from the two exercises.
Advantages of Providing Good Customer Service
A good customer service helps an entrepreneur to:

- build a good customer base,
- make profit from regular sales derived from a good customer base,
- maintain a healthy relationship based on trust, confidence and respect.