

Business Development Services for Fish Value Chain Actors



TRAINER'S MANUAL

GIZ Responsible Fisheries Business Chains Project (RFBCP)



german
cooperation
DEUTSCHE ZUSAMMENARBEIT

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I. INTRODUCTION TO THE TRAINING MANUAL

1.1 What is this manual about?

When individuals run their businesses, they think about many things but most importantly how to sustainably grow their businesses and make profits. This manual aims at empowering Micro, small and medium Enterprises to improve on their knowledge, skills and attitudes towards the way they operate their businesses with the aim of making the businesses more profitable and sustainable.

1.2 Rationale for the Manual and Responsible Fisheries Business Chain project (RFBCP).

This manual was developed by GIZ- RFBCP is concentrating on sustainable fisheries management of Nile perch. The overall objective of the project is to ensure food security and reduced poverty through enhancing fish supply and incomes of the fish actors. The project focuses on three main areas of activity:

1. More fish more income
2. Promotion of sustainable fisheries and
3. Reduction of illegal, Unreported and Unregulated (IUU) fishing.

Uganda is riddled with the unsustainable fishing practices, poor post-harvest handling techniques and self-defeating business practices along the fish value chain. Most businesses have not seen the long-term business sense of handling the lake resource through legal and regulated fishing practices hence the need for integration of such aspects within the fish business value chains. This calls for meaningful and sustainable fisheries management.

Sustainable fisheries management may be viewed from a multidimensional manner. One of such dimensions is from the point of business management within the entire fish value chain. Applying better business management skills can greatly contribute to sustainable fisheries management especially when more sustainable income is realised by the players at different levels within the fish value chain.

The project targets vulnerable households and communities, artisanal fishers, Micro, Small and Medium Enterprises (MSMEs) in the fishing sector. Majority of these people have the capacity to comprehend and operate their businesses though in a more informal way. To achieve the desired levels of sustainability, it is important that these businesses are operated in a way within the fishery context of Uganda. To the effect the RFBCP formed a 'Business Development Services (BDS) think tank' which had experts on business management within the public and private sectors. These advised on the content and the best means of delivery of the BDS interventions.

Founded on the advice acquired, the BDS manuals (trainers' and learners' manuals) were developed for the Micro and Small & Medium Enterprises (MSMEs) to cater for the different business needs within the fish value chain. These were implemented in 15 Lake Victoria fishing districts. Overwhelming successes have been realised through these trainings. It is such successes which have motivated the expansion of other resources to enable the application of similar and contextually programmed approaches to Lake Kyoga. Therefore, this manual is built on the lessons learnt from the experiences on Lake Victoria but tailored to suite the fishing business contexts of Lake Kyoga.

1.3 Who does this manual target?

This Business Development Services (BDS) Training Manual has been developed for the fishing communities comprised of men and women who own MSMEs

These enterprises are further categorized into;

1. **Boat owners; people who own boats as a business.** These can also be operators of the own boats.
2. **Barias (Fishermen):** people who actually involved in real catching of fish.
3. **Fish traders;** people who transact fish businesses. These also include those who have; a fixed sales location, transporters

on bikes or small vehicles.

4. **Fish processors;** These include all those who are engaged in activities related to fish preservation and value addition.
5. **Fish by-product processors;** These may include those dealing in fish skin, fish maw, fish heads, scales, bones, fats, fish skeleton and offals.

1.4 Objectives of this manual

1.4.1 Overall objective

The primary objective of this manual is to ensure that the learners who own micro, small and medium enterprises within the fish value chains gain the knowledge, skills and attitudes which contribute to compliance and sustenance of their businesses.

1.4.2 Specific objectives

- i) Understand the basic business operational aspects related to financial management
- ii) Understand the basic business operational aspects related to entrepreneurship
- iii) Improve governance and leadership of the groups in which they exist

1.5 Approach to BDS Training

1.5.1 Teaching approach

The manual targets teaching of adult people. Whereas teaching is near universal, there are striking differences between teaching adult people (Andragogy¹) and teaching of young people (pedagogy). Adults thrive in learning things which apply to their contexts. It is therefore important to focus adults on participatory and experiential learning. According to Malcolm Shepherd Knowles, there are five assumptions of adult learning which we presume to be very applicable to the BDS adult learning along Lake Kyoga as explained below;

¹ andragogy is the art and science of adult learning, thus andragogy refers to any form of adult learning.

1. **Self-Concept;** As people grow, they move away from being directed by others and instead determine their own destiny and control. It is important to understand the people choose what they desire as and when. They have that power and it needs to be understood and as a facilitator, you need work out a direction together.

2. **Adult Learner Experience;** Mature people are not like children, they come to learn with a wealth of experience. This means that it is important to learn from them especially they are critiquing what works and what doesn't within their contexts.

It is important therefore to enable the learners to participate in setting up their learning goals, identifying human and material resources for learning, choosing and implementing appropriate learning strategies, and evaluating learning outcomes.

3. **Readiness to Learn;** Mature learners only learn when they are ready and their readiness to learn becomes oriented toward their roles. They have competing assignments which they can give priorities as compared to the lessons. They usually want to learn about things which are relevant to their lives or social roles. It is important to identify such issues at the beginning of the course and every lesson to keep them interested and focused.

4. **Orientation to Learning;** Adults enjoy learning things they can easily apply to their day to day lives immediately, "hands on". They are usually disinterested in postponed application (which happens after memorisation). Always find a way of linking what you are teaching to how it is relevant to the learners' business as opposed to things which call for postponed learning. Core to this is understanding how the particular concept help in solving the current

problems/challenges experienced by the learners.

5. Motivation to Learn

As a person matures the motivation to learn is internal and usually must contribute to self-development. Always try to understand the motivations to learning for each session from the participants' perspectives before you introduce the concept.

In a nutshell, the training content should not be passed on from the trainer to the participants in one-way communication with trainees largely listening, instead, the participants are guided and encouraged to discover learning contents themselves in an active process.

1.5.2 Major learning outcomes

It is important for the trainer/facilitator to ensure that after every session, the following outcomes should at least be achieved.

1. **Better understanding of oneself;** It is critical to note that after the sessions, the trainees understand themselves better, more motivated to learn, have a feel of achievement of their goals, improved esteem and self-respect, improved capacities and able to meet their needs.
2. **Acceptance and respect towards others;** Better appreciation of the situation in which they thrive and the differences that exist in different situations. They need to critically think about their ideas and contexts in which they exist and learn why some phenomena happen the way it is without necessarily conflicting.
3. **Improved attitude towards life;** The learners should be able to see life in a more positive and tolerant way. They must be able adapt to change, accept it and even embrace it.
4. **Better understanding of causes not symptoms;** It is good to facilitate the learners to focus on the causes of the problems as opposed to the symptoms.

With this the learners can go into a self-criticism norm and discover themselves better. This will cause an appropriate reaction within their climate.

5. **Understanding the human experience;** Based on the content delivered, the learners should be in position to; understand, appreciate, and share the ideas, experiences, and traditions. You need to help them understand that the past is relevant to the future as opposed to abandoning it. Basically this is like a common saying of, 'don't throw away the baby with the child.'
6. **Understanding of the ability to change society;** The facilitator should be in position to orient the learners towards understanding that they can cause change in their society and fishing industry. They need to educate others on the principles of BDS and how it shapes business. This learning needs to change the way individuals think about themselves and their world, and that involves a shift of consciousness. In other words, the learning has to be transformational.

1.5.3 Strategies to achieving the learning outcomes

To achieve these learning outcomes, it is also to apply the following strategies among others;

- **Structured /Systematic Approach;** Begin the session starting with what the learners know before introducing the unknown. This will facilitate individual self-learning and discovery.
- **Assisted learning;** Be adaptive to cause the learners bring the best out in themselves. The facilitator can adopt coaching and mentoring if time allows. There is need to know your learners and the types of learning which appeal to them.
- Be innovative with relevant activities which apply to adult learning and

participatory in nature.

- Adults learn better when they discuss common issues from their different points of view. It is therefore important to adopt the group studying/learning/ experience sharing approaches. Avoid trying to teach them, instead facilitate their learning.
- Create an environment which promotes

transformative learning; Agree on the learning venues, learning times, dos and don'ts.

- Design learning activities that explore and cause debate from different points of view.

1.6 Training methodology adopted in the manual

1.6.1 Training methods

The following training methods are adopted in the manual;

S/N	Method	Method description
1	Lecture	'Gives a narrative, well-structured account about a topic or issue.
2	Demonstration	The trainer uses materials or people to innovatively construct physical scenarios of the narrative being delivered
3	Practical exercise (Individual or small Groups)	The participants are given the opportunity to demonstrate what they have been taught in a physical manner
4	Case study	The trainer uses a particular life experience to explain a given scenario as selected from the modules.
5	Small brainstorming (guided) Groups Discussion/ Buzz groups	A large course group is divided into smaller groups and given a short time to accomplish a task, carry out an action, or discuss a specific topic, problem or question.
6	Plenary discussion	Here the participants give their views on the aspects under discussion in sort of a classroom setting/in presence of all participants
7	Role-Playing	Role play is an informal dramatization in which people act out a suggested situation or an avenue of demonstrating what the participants have learnt.
8	Stories/ sharing lived or local experiences	This involves people sharing their lived experiences in relation to a particular aspect of the training manual
9	Take home assignments	The facilitator should endeavor to provide take-home assignments or activities which should be done by the learners in a reflective manner.
10	Ice Breakers	These are participatory games/activities which are meant to focus the participants and raise their energies before a module is started.

1.6.2 Preparing for a facilitation session

The facilitator needs to plan for the lessons to be delivered in a systematic manner. This partly involves planning on how the lesson will flow. Also the different teaching aids to be used need to be planned for and put in place if the learning experience is to be made effective and enjoyable. Examples of learning aids proposed in this manual

include;

Scissors, Glue, Handouts, strings, Markers, Flip charts/ whiteboard, Masking tape, Manila and Balls among others.

The list provided is not an end but the facilitator can adopt any training aids based on the contexts

in which the training is to be conducted. Also note that the materials indicated in this manual may not be readily available at the location of the training and there may be a need to explore alternatives using locally available materials.

1.6.3 Learner/participant assessment strategies

The learner's level of understanding will be assessed using a number of approaches that have been adopted in this manual. In this manual the facilitator will be expected to assess the learning outcomes at every end of the session or day or as deemed fit by the facilitator depending on the agreement with the learners or existing contexts. However, the trainer is at liberty to use other methods that he or she deems fit given the varying contexts of the training. These include;

- i) Oral questions; These involve spot inquiry questions during the delivery of the modules to assess the extent of the learners' comprehension, understanding and conceptualization of the different module content.

- ii) Evaluation form; A set of questions are designed into a form that gauges participants' level of knowledge after the module (s) are delivered. This is used to measure performance. A sample of the learning session evaluation form is provided for.

- iii) Feedback sessions; Formal meetings on how the training is conducted are held and feedback is generated from the learners' point of view/experience. It is against these that the subsequent training session(s) is better adapted to ensure that maximum impact is achieved.

1.7 Summary of the chapters:

This BDS training manual covers 2 background chapters on the manual and three chapters of core training contents/modules which are expounded below. The training modules and the different aspects sessions covered are given in the table below;

Table 1 I: Showing the summary of the modules and aspects under each

CHAPTERS	Aspects under each module
INTRODUCTION TO THE MANUAL	<ul style="list-style-type: none"> • Rationale for the manual • Approach to the training • Training methodologies
BECOMING AN EFFECTIVE FACILITATOR	<ul style="list-style-type: none"> • Developing effective training and facilitation skills • Required competencies for facilitators
MODULE 1: ENTREPRENEURSHIP SKILLS	<ul style="list-style-type: none"> • Basics of entrepreneurship • Understanding fishing as a business • Fish enterprise analysis • Introduction to business planning • Introduction to marketing of your business
MODULE 2: BUSINESS FINANCIAL MANAGEMENT	<ul style="list-style-type: none"> • Defining financial management • Money management • Aspects of financial Management • Business documentation and business management

2. BECOMING AN EFFECTIVE FACILITATOR

2.1 Introduction

There are many techniques, skills and competencies which can make one a good facilitator. For purposes of this manual, emphasis can be put on three areas and these include; lesson planning, developing effective presentation & facilitation skills. These are expounded below;

2.2 Lesson planning

The objective of lesson planning is to draw a road map in which the target content will be systematically delivered to the learners to achieve the desired learning outcomes at the end of the lesson or session. It is important that overtime the facilitator needs to involve the adult learners during lesson planning and incorporate their views. There are many considerations for lesson planning but for purposes of this manual, the following are considered;

Understanding Training Course and Participants

The facilitator needs to understand the participants by name, affiliations, titles, cultural backgrounds, experiences, their motivations and other orientations. This will facilitate in creating a bond with the learners but also enable better choice of activities and examples to use during the trainings.

Setting Session objectives.

The learning objective is to be set by the three dimensions namely:

1. **Knowledge;** facilitators ask themselves what areas of knowledge they want participants to understand at the end of a session. The trainers need to read widely about the content they are to deliver.
2. **Skill;** facilitators ask themselves what skills they want participants to exhibit at the end of a session.
3. **Attitude;** facilitators ask themselves what feelings they want participants to have at the end of a session.

All these should be determined when considering training course objectives.

Listing up Learning Topics

Facilitators have to list topics to be covered in a session as guided in a ToT Manual and plan on how each will be delivered.

Determining Participants assessment strategies

Facilitators need to determine whether the appropriate assessment strategies for the participants. It is appropriate to have assessments for the participants during and at the end of a session. Facilitators should assess participants in terms of the level of;

- 1) **Knowledge;** Whether they can articulate the underlying principles behind the different concepts done.
- 2) **Interest;** The level of enthusiasm to learn more and even gain more knowledge.
- 3) **Ability to influence others;** Ability to pass on the information ably and influence others to change.

Assessments can range from structured ones such as tests/assignments to simple quizzes, question and answer sessions, spot questions during the session. It can be retaliated that the facilitator needs to assess the capacities of the participants at the beginning and end of the session.

Selecting teaching methods

To achieve a session goal, facilitators should select the most efficient and effective method of teaching through which the best impact on the trainees can be achieved.

Planning Time Line

This is the process of creating the strategy of a session delivery based on determined session objectives, learning topics, and session outputs. Facilitators make their plans of the session delivery with time lines.

Remember the Bob Pike's 90/20/8 rule. **“Don't make your lesson longer than 90 minutes, change the pace every 20 minutes, and involve the learner every eight minutes”**

Listing up necessary items and environments

Now facilitators would have to list all the necessary items for a session such as learning materials, stationery, and equipment if needed.

Exercise

“Let's make a lesson plan.”

Let's make your lesson plan by picking up one of your favourite topics and make an ideal lesson plan.

The lesson plan should include at least the items below.

- Session Title
- Session objectives
- Topics included
- Evaluation methods
- Training methods and topics with the timeline.
- Items to prepare

You can refer to “What is Lesson Plan?” as a form but you can revise it for your convenience. After completing your plan, share with other facilitators and provide each other comment

Tips for getting along and maintaining interest of your audience

There were a number of tips which were applied by the BDS trainers previously to maintain the interest of the learners throughout the training period. Some of these included;

- **Respect:** Always treat all the participants with respect irrespective of culture, age, or sex differences.
- **Indulge:** Resort to the opinion of both facilitators and participants while seeking solutions for a complicated situation.
- **Re-arrangement of the module;** At first the participants were less interested in the course but overtime they picked momentum. It is important to understand the content, naturalise it and then innovatively deliver it.
- **Converting allowance cash;** Some groups adopted the approach of using the daily training allowance into cash rounds

which they would give to one person after every lesson. This meant that anyone missing the lessons would distort the cash round arrangements. This prompted people to attend.

- **Not walking alone;** Everyone was assigned to have peer with whom they would come to class. This peer to peer approach facilitated people attending together.
- **Care from the trainer;** Some trainers bonded well with the trainees and formed a good relationship. So checking on all members was a must before commencement of the activity. Also attending of some social activities was further bound the trainees and the trainers.
- **Leadership roles;** The members were assigned different leadership roles which contributed activeness within the group. Such delegation of responsibility also

contributed greatly to efficiency within the groups since each one had a role to play.

- **Creating of an adult learning environment;** All members were informed that learning was experiential and that there was no wrong answer. It is from this perspective that all the members felt included. Sometimes they used icebreakers, demonstrations and role plays to keep the class active.
- **Fines for nonattendance;** Some members were fined for not attending and the monies were dedicated to the savings scheme. Such punitive actions forced members to attend.
- **Small prizing;** Some trainers used small prizes in class such sweets for exceptionalism in attendance, activeness and answering questions among others.
- **Breaking the gender and other social lacunae;** The facilitators ensured that everyone participates in the lectures and other course activities especially the women.
- **Transport refund;** Transport refund contributed greatly to participation especially for the distant learners.

2.3 Developing effective presentation and facilitation skills.

2.3.1 Understanding facilitation and presentation

2.3.1.1 What is facilitation?

Facilitation can be seen as helping people get their work done, whether it is done in a group, with a few people, or alone². It is about helping people work together more effectively, make progress and succeed. It stimulates communication, encourages the examination of ideas & discussions and promotes participant involvement. Facilitators should constantly ask themselves: “Is this action going to help the group complete its task?” To

achieve this, it is important to keep in mind that facilitation is about;

- i) Process – how you do something rather than just delivering the content
- ii) Movement –the facilitator guides the group toward a destination. The facilitator should always help groups to be clear about their tasks.

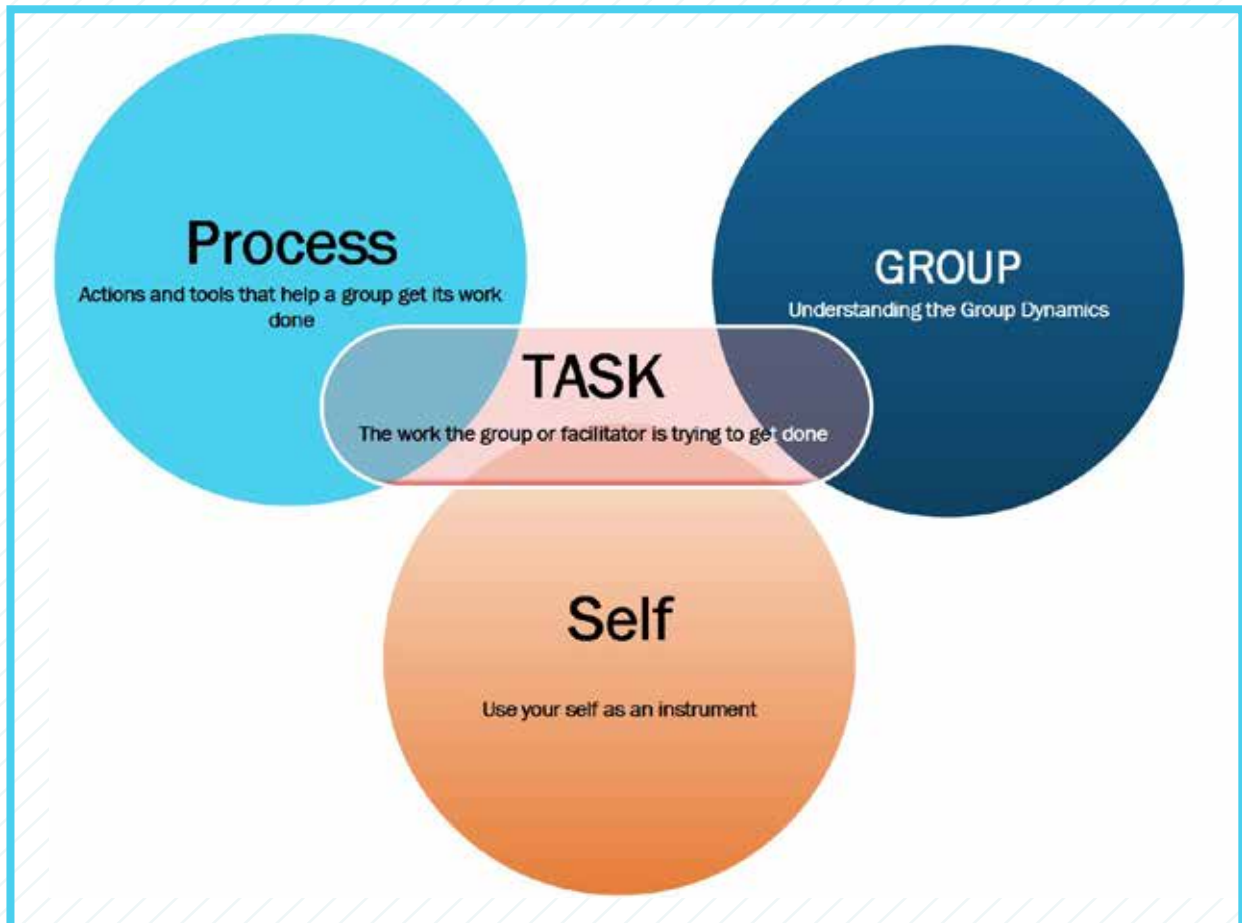
2.3.1.2 The facilitation Model

The model comprises of aspects as indicated below;

- i) **Task;** At the heart of the model the facilitator keeps in mind the task that the group is trying to get done³. The task could be a new problem, challenge, or opportunity facing the group.
- ii) **Self;** The facilitator interacts with the group and influences the group dynamics. Therefore, the facilitator must be mindful of the fact that he or she is the instrument of facilitation not an end.
- iii) **Process and tools;** In order to achieve this balance, the facilitator relies on process and tools. The facilitator is mindful of the task at hand, that is, to guide the group from a new problem or challenge to arrive at a solution/decision point that is supported by members of the group. The process the facilitators uses will involve divergent thinking, the facilitator draws out alternative views and opinions from the group. A diversity of views is strongly encouraged. From this diversity of views, the facilitator needs to guide the group to identify and select the most useful one to arrive at the desired destination.
- iv) **Others;** This component involves group dynamics. The facilitator must be aware of the interactions among the members of the group, and between the group and himself or herself. The facilitator needs to balance the contributions and participation among the group members such that no one person dominates the group or imposes his or her view on the rest.

2 Weaver and Farrell (1999)

The facilitation Model is illustrated below



(Source: Adapted from Weaver, R.G. & Farrell, J.D., *Manager as Facilitators*, 1999)

2.3.1.3 Basic Presentation and Facilitation Skills.

The following form some of the basic facilitation and presentation skills that can be adopted;

- i) **Speak with a clear and loud voice at an appropriate speed;** The facilitators' voice is an important element in catching the attention of participants. Facilitators should speak in clear and loud voices so that every participant can hear them well. In addition, it is effective to speak in an energetic and enthusiastic manner but not too fast.
- ii) **Use both verbal and non-verbal language;** When facilitators speak to participants, they use both verbal and non-verbal language. Use body actions, facial expressions, and so forth to show your intention. People tend to believe what they see rather than hear. Using both verbal and non-verbal language will make your presentation more pervasive.
- iii) **From wide to narrow;** It is recommendable to guide the discussion from a wide scope to narrow issues. Facilitators should guide the discussion towards understanding the macro level picture based on which parts of this picture can be discussed to deepen the discussion and the learning points.
- iv) **Make participants think;** It is very effective to ask questions occasionally. In order to catch the attention of participants, facilitators must make them think about the topics under discussion. But facilitators should stop occasionally and pose questions to the class. Participants should start thinking and take ownership of the topics. For example, facilitators can ask "why do you think this happened?" before explaining it. If facilitators feel there is a risk that they will receive unexpected answers, they

can immediately answer it themselves.

v) **Maximizing participation;** In addition to providing information through presentations, facilitators can involve the whole class by holding discussions (and other methods) and making them think, to deepen their understanding and to retain the knowledge being shared. The facilitation skill for discussions (class and small groups) is one of the most important skills needed by facilitators to involve the participants.

vi) **Attitude for facilitation;** There are three (3) types of attitudes required as a facilitator. These are

1) **Honesty and openness;** facilitators should be honest and open to other opinions so that facilitators can gain trust from participants. With this attitude, the group will also become honest and open in discussions. This will enhance the discussions and contribute to deepening their understanding.

2) **Neutrality;** facilitators need to be neutral to any ideas in the classroom. Don't judge people in a rushed manner. Always protect the esteem of the trainees and remember in adult learning, no answer is wrong.

3) **Objectivity;** Thirdly, facilitators should be objective by monitoring the discussions and helping promote and deepen the discussion. Facilitators should not influence decision-making of the group. This will decrease ownership of the decision or discussion.

vii) **Introduction of facilitator;** Facilitators must introduce themselves and explain their role when the session starts. This is important to establish trust between the class and the facilitator and is the starting point of involving the whole class in the

session. Avoid over reliance on yourself.

viii) **Explain the goal and the objective;** Facilitators should make the goal and objective of the session clearly to participants. This way, the discussion will be focused on the issues and would be easy to come up with conclusions. This would contribute towards decreasing the frustration of participants.

ix) **Encourage participants who do not speak.** The facilitator is to encourage all participants to speak. Always pay attention and avoid the situation where only few participants control the discussion.

x) **Group work;** When you facilitate group work, carefully observe and provide assistance. Sometimes group members are frustrated because they cannot make progress. When you observe this kind of situation, stimulate confidence and encourage them by providing appropriate words. Sometimes you can recommend that the group takes a break to be refreshed.

xi) **Active listening;** Facilitation is not a one-way communication to providing knowledge. Facilitators are in the position to support participants to learn. In order to support participants; facilitators should accept and understand them. This way, participants will accept the facilitator's support. In order to make participants feel that they are accepted by facilitators, facilitators should listen to them carefully. Here are some active listening techniques that help facilitators listen to participants effectively.

- **Pacing;** Speak the same way as participants. When your participants speak slowly, you have to speak slowly. When your participants speak with anger, you also respond with a feeling of anger for participants to sympathize with the issues.

- **Repeating;** Repeat what participants say. When any of your participants speak, repeat what he/she said in a short form using small words. This makes participants

comfortable feel accepted. Even though, your opinion may be different from participants, first accept what she/he says by repeating. Discussions will then be smooth.

- **Non-verbal language;** Use non-verbal language when you listen. Participants will feel that you are really listening.
- **Do not evaluate when you are listening;** You should not evaluate when an opinion is good or bad. Criticizing participants is the worst thing to do as a facilitator. When you do not evaluate opinions, participants will feel comfortable to provide their opinions and the group will be encouraged to go on.
- **Do not be afraid of silence;** After you pose a question, give enough time to participants to think about your question. Sometimes, facilitators hurry to elaborate or answer too quickly, this will disturb participants. Some participants may be in deep thought. Waiting for about 10 seconds is a good strategy. Do not be afraid of silence.
- **Thanking each participant after their input or contribution.** It is good for the facilitator to respond with words like very good, interesting opinion and others. By responding this way, the whole class is very much encouraged to speak up.

2.3.2 Questioning Techniques for effective facilitation

Facilitators can control the discussions by asking questions. Asking questions can motivate participants than just giving instructions. There are two types of questions namely; 1) Open-ended and 2) Closed-ended questions. Open-ended questions start with the 5W 1H (What, Who, Where, when & Why: How) concept. The answers can be flexible. These types of questions are effective in making participants think about ideas, opinions, etc. Closed-ended questions can be answered with “Yes” or “No”. These types of questions are effective in controlling discussions to a certain direction or to confirm something.

2.3.3 Wrap Up

Wrap up is an important element of facilitation. Facilitators should have good wrap up skills. Wrap up can be conducted during or at the end of the session or day or week or whole training. It allows participants to reflect on the session or course. There are four objectives in wrap up sessions indicated below:

- Helps participants to reflect on what they learned.
- Helps participants to recall key messages and insights.
- Helps participants to consider the application of the concepts in their workplaces
- Makes participants commit to next actions.

Sometimes the wrap-up is called Debrief, Recap, Reflection, Retrospection, Feedback, Q &A, Assignment, Grand Finale, Primacy, Recency, Consolidate, Focus, and Direction.

2.3.4 Effective use of ice breakers and Energizers

2.3.4.1 Energizers

Energizers are effective for involving participants and keeping their concentration during sessions. They are usually conducted within short periods of time to help participants relax and to refresh themselves. Activities to refresh participants are valuable; however, they should be related to the topic being discussed to have maximum effect. For example, when an energizer in the communication session is related to something about communication, it will refresh participants as well as deepen their understanding in the topic.

2.3.4.2 Ice breakers

The objective of icebreakers is to create an active and positive atmosphere in a classroom and to enable a smooth kick-start. They are used at the beginning of sessions. It is especially necessary at the beginning of the very first session of course or in an opening orientation. The purpose of the icebreakers is to deal with the anxiety felt

by participants when they find themselves in new environments and with unfamiliar people. Successful ice breakers promote communication among participants and the facilitator and their readiness to learn. Icebreakers help:

- To get participants to feel comfortable
- To get participants to know each other
- To get participants to know the facilitator
- To get participants ready to learn
- To get participants to concentrate on the session

2.4 Competencies for Facilitators

Facilitators should be competent in a number of areas. Identified for purposes of this manual are four but the facilitator is encouraged to keep exploring others for the betterment of their skill.

2.4.1 Competency Area 1: Self – management and Awareness.

The facilitator is comfortable with his or her background and experienced and is capable of training and coaching new facilitators. He or she should:

- i) Be aware of his or her own strengths and weaknesses
- ii) Seek help, opinions, and advice from others when needed:
- iii) Be aware of his or her own needs in a training/consulting relationship. Approaches issues with an open mind.
- iv) not be insecure when others express a different opinion: Encourages other perspectives and questions.
- v) be open to learning from others in the groups he or she works with; manages his or her own time and work load effectively; and is willing to take risks for the sake of positive change.

2.4.2 Competency Area 2: Communication and Human Relations

Effective facilitators are able to communicate openly and fairly with a variety of people. They

apply facilitation skills when communicating one-on-one or in groups.

The competent facilitator also:

- i) Treats people with respect:
- ii) Is capable of working through miscommunication and conflict toward a productive outcome.
- iii) Strives to accurately understand other's needs, values, and opinions.
- iv) Works to keep communication channels open (e.g. returns phone calls promptly, keeps others informed, even when difficulties arise, etc.): and
- v) Listens attentively regardless of feelings toward the speaker.
- vi) Comfortably takes initiative and leadership when appropriate: Successfully solicits the cooperation and commitment of others.
- vii) Builds relationships and credibility before seeking alliances; Encourages others to take the lead when appropriate;
- viii) Operates effectively within organizations; and
- ix) Understands how to accomplish things in a particular organizational culture.

2.4.3 Competency Area 3: Self – Leadership

Leadership is the ability of an individual or a group of individuals to influence and guide followers or other members of an organization. A facilitator should possess the following competencies so as to manage the training well:

- i) Willing to define the purpose of the meeting.
- ii) Ready to design a results-based agenda.
- iii) Able to reach an agreement on how the group will work together.
- iv) Encourage the participation of all team members.
- v) Model effective listening.

- vi) Being genuinely open to the ideas of others.
- vii) Identifying and transforming conflict.

2.4.4 Competency Area 4: Subject Matter Knowledge

The facilitator must;

- i) Know the basic premises behind facilitation and can explain the benefits of facilitation to others.
- ii) Demonstrates ability to facilitate meetings and workshops successfully;
- iii) Keeps up-to-date on resources and literature about facilitation;
- iv) Strives continually to learn about facilitation, facilitator methods, and the application in a variety of situations; and
- v) Understands the differences among presenting, teaching and facilitating and can explain them to others.

2.4.5 Competency Area 5: Actual Facilitation Skills

The facilitator demonstrates the ability to use a variety of facilitation skills and methods when working with groups and is able to guide groups to productive outcomes.

She/He:

- i) Draws out and balances participation;
- ii) Understands Consensus and knows various methods for helping a group reach a consensus.
- iii) Is skilled at designing results-oriented,

interactive meetings;

- iv) Is competent at coordinating pre- and post- meeting logistics and administration;
- v) Demonstrates ability to facilitate a productive meeting: manages time well, deals effectively with late comers, keeps the group focused, help the group reach closure, records ideas and decisions etc.
- vi) Keeps the group focused on its meeting objectives;
- vii) Helps the group stay focused by paraphrasing, clarifying and summarizing;
- viii) Opens and closes a meeting effectively
- ix) Uses appropriate activities, tools and methods during the meeting to help the group be productive.
- x) “Reads the group” and adjusts meeting activities accordingly;
- xi) Listens well and summarizes people’s inputs and/or group discussions
- xii) Uses questions effectively to foster creative direct discussions
- xiii) Uses questions effectively to foster creative direct discussions and to reach closure;
- xiv) Regularly seeks feedback from meeting participants;
- xv) Adjusts and improves facilitations based on feedback
- xvi) Has a basic understanding of group dynamics and how people typically react in group situations?

3. MODULE I: ENTREPRENEURSHIP

3.1 Objectives of the module

The overall objective of the module is;

To enhance the understanding of the BDS groups along Lake Kyoga in the entrepreneurship basics and skills by the BDS groups on Lake Kyoga

Specifically, the learners should be in position to;

1. Understand the tenets of an entrepreneur
2. Understand how the entrepreneurs view business

3.2 Session I: Basics of Entrepreneurship

Overall Objective:

To enhance the understanding of the participants on the basics of entrepreneurship

Session Specific Objective:

By the end of the session, the participants will be able to:

- i) Describe who an entrepreneur is
- ii) Identify the key characteristics / attributes of a successful entrepreneur

3.2.1 Introductions of the participants

Activity I (30 minutes): Introduction of the participants

- i) The facilitator begins by asking the learners to set criteria of three things they would like to know about each other. Also each participant should also mention one reason why they are attending the training and how they will make sure that they will attend all lessons.
- ii) The facilitator requests the participants to make a circle. After the facilitator should get a string (rolled into a ball). The ball is given to the first participant who has to mention their name, the agreed things others want to know about them, reason for attendance and how they expect to have in place to

ensure full attendance. After this they throw the ball to another participant of their choice as they hold the string. The process is repeated.

- iii) The facilitator writes the different responses related to; the reason for attendance and how they expect to have in place to ensure full attendance on the board.
- iv) There after the facilitator summarises the outcomes of the game and emphasises the strategies which have been put in place to ensure that participants attend the lessons all through.



Facilitator's Notes



What is the outcome of the game?

The outcome of the game will be like a spider web. The facilitator should emphasise that one string of the spider

is weak but when a complex web is made, it is strong and can support the spider. The web can act as a good trap for the flies which is the spider feed on.

The lesson: when we effectively use the strengths of each team member, we have better outcomes and we can easily use the opportunities as opposed to when we work in isolation of each other. So to successfully achieve the best in this course all the participants need to support each other to see that they finish the course together.

Also refer to section 2.2 on tips of enhancing participation among the learners.

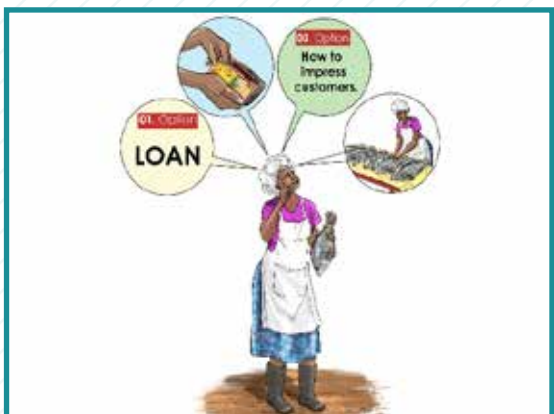
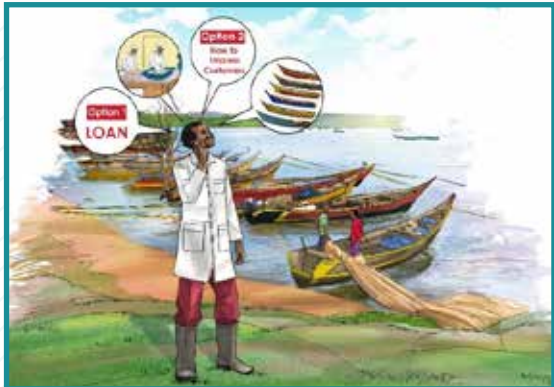
3.2.2 Defining an entrepreneur

Activity I (1 hour): Defining an entrepreneur and their characteristics

- i) The facilitator begins the session by asking

the participants to share what they do as business in the fishing industry. The facilitator writes the responses on the board.

- ii) The facilitator later introduces the term, entrepreneur and entrepreneurship. The facilitator then asks whether the participants self-determine themselves as entrepreneurs and why?
- iii) The facilitator then gives a brief lecture on the characteristics of the entrepreneur and how it relates to the fisheries industry.



Entrepreneurs in fishing business



Facilitator's Notes

Meaning of an entrepreneur

An entrepreneur is any person who creates and develops a business idea and takes the risk of setting up an enterprise to produce a product or service which satisfies customer needs. Both men and women can be successful entrepreneurs; it has nothing to do with gender.

An individual who undertakes the risk associated with creating, organizing, and owning a business

“Think of a person who sits by the roadside leading to your home and who has been selling the same type of food, from the same size of saucepan or pot, from the same table top, and may not have been able to change their standard of living to any appreciable

extent. Such a person may be a business person but not an entrepreneur.”

Meaning of entrepreneurship

The practice of starting new businesses in response to identified challenges / opportunities with a motive of making profit. Entrepreneurship is a process, a journey, not the destination; a means, not an end.

The process of starting and running one's own business. This involves a considerable amount of risk.

Steps in the Entrepreneurial Process

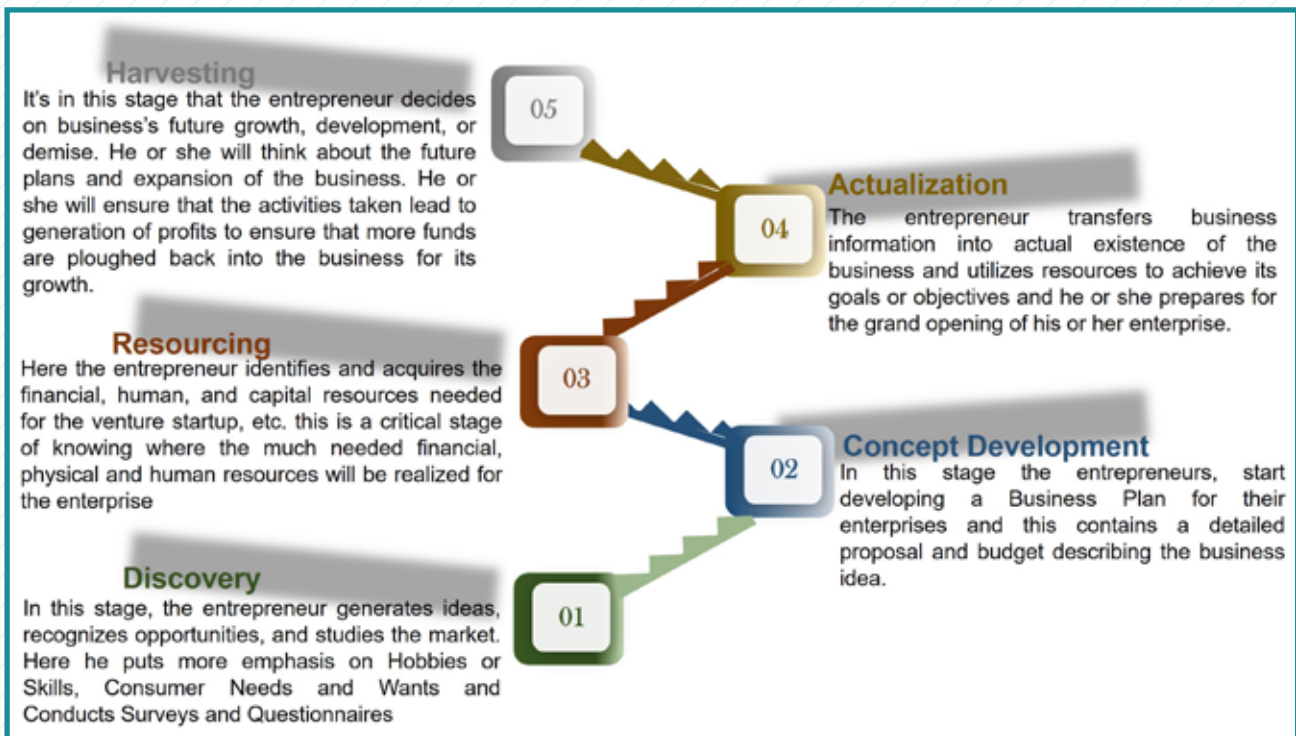
1. Discovery; In this stage, the entrepreneur generates ideas, recognizes opportunities, and studies the market. Here he puts more emphasis on Hobbies or Skills, Consumer Needs and Wants and Conducts Surveys and Questionnaires

2. Concept Development; In this stage the entrepreneurs, start developing a Business Plan for their enterprises and this contains a detailed proposal and budget describing the business idea.

3. Resourcing; Here the entrepreneur identifies and acquires the financial, human, and capital resources needed for the venture startup, etc. this is a critical stage of knowing where the much needed financial, physical and human resources will be realized for the enterprise

4. Actualization; Under this stage the entrepreneur transfers business information into actual existence of the business and utilizes resources to achieve its goals or objectives and he or she prepares for the grand opening of his or her enterprise.

5. Harvesting; It's in this stage that the entrepreneur decides on venture's future growth, development, or demise. He or she will think about the future plans and expansion of the business. He or she will ensure that the activities taken lead to generation of profits to ensure that more funds are ploughed back into the business for its growth.



Characteristics of a good entrepreneur

1. **Looking for opportunities:** Most entrepreneurs start by finding a need and quickly satisfying it. Entrepreneurs are always alert to opportunities and they quickly see and grab them. In addition, they plan carefully how to achieve their goals in realizing an opportunity.
2. **Goal setting;** Successful entrepreneurs are goal oriented. They always set goal which are achievable and work towards achieving them. Their determination makes them overcome possible challenges and also inspires trust from the people they work with. These goals always have a timeline to guide their actions.
3. **Information seeking;** A successful entrepreneur always undertakes personal research regarding how to satisfy customers and meet their needs. He/she constantly seeks for relevant information from his/her clients, suppliers, competitors and others in order to stay ahead of competition.
4. **Persuasion and Networking;** Successful entrepreneurs always want to connect with people and to recognize opportunities for partnership which is crucial for their enterprises. Here they know that if they meet new people this might facilitate access to resources or knowledge that their businesses need. They constantly use polite language to persuade customers to buy their products.
5. **Own Boss:** Most entrepreneurs enjoy being their own boss and like doing things their own way. The characteristics of independence and the sense of determination are the drivers that makes entrepreneurs start their own business.
6. **Hard working;** Most entrepreneurs work for long hard hours with little play. They persist and strongly believe that working hard will help them attain their goals and always focus on the end result.
7. **Self-confidence:** Most successful entrepreneurs are confident of achieving realistic and challenging goals. They have a high level of self-confidence coupled with a sense of effectiveness which ultimately contributes to the success of the enterprise.
8. **Discipline:** Successful entrepreneurs think through what is most essential

and resist doing what is unimportant. Entrepreneurs are economically efficient, do not waste time and always want to accomplish their tasks.

9. Making wise decisions: Successful entrepreneurs have the ability to think quickly and make a wise decision. Entrepreneurs are unaffected by personal likes and dislikes because they know what they can do and are realistic in their approach.

10. Ability to accept change: Change occurs frequently when you own your own business, the entrepreneur thrives on changes and their business grows. Entrepreneurs look at many solutions to their problems. Entrepreneurs can choose the best way to do something, even if it is different from how they want to do it.

11. Focus on profits: Successful entrepreneurs always have the profit margin in sight and know that their business success is measured by profits.

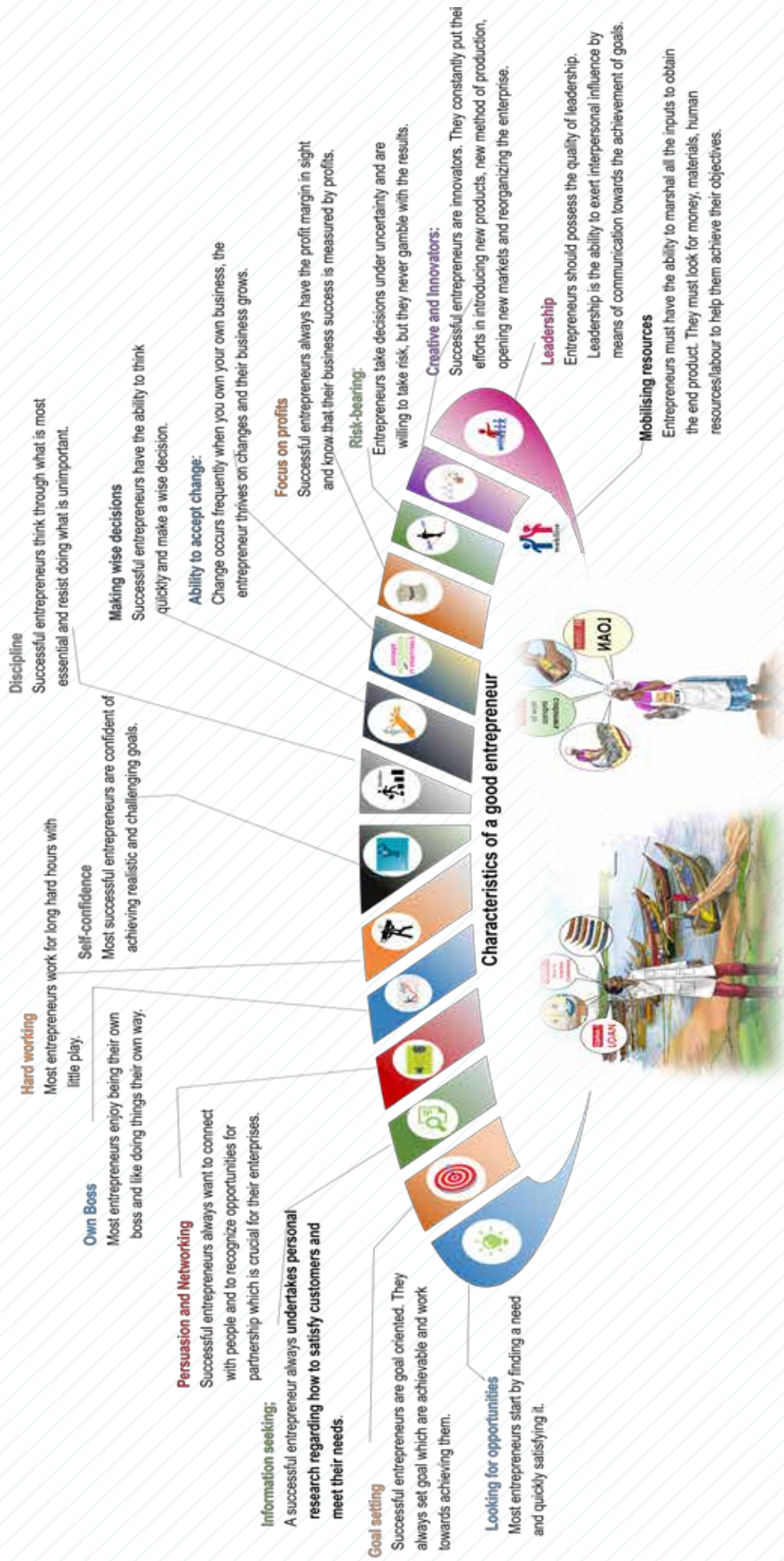
12. Risk-bearing: Entrepreneurs take decisions under uncertainty and are willing to take risk, but they never gamble

with the results. They choose moderate risk and therefore, undertake calculated risk which is high enough to be exciting, but with a fairly reasonable chance to win.

13. Creative and Innovators: Successful entrepreneurs are innovators. They constantly put their efforts in introducing new products, new method of production, opening new markets and reorganizing the enterprise. They always think of how they can do things in a better way.

14. Leadership: Entrepreneurs should possess the quality of leadership. Leadership is the ability to exert interpersonal influence by means of communication towards the achievement of goals. They always guide others towards the achievement of the enterprise goals.

15. Mobilizing resources: Entrepreneurs must have the ability to marshal all the inputs to obtain the end product. They must look for money, materials, human resources/labour to help them achieve their objectives



Conclusion

Entrepreneurs have many qualities that help them to manage their small and medium enterprises successfully. However, an entrepreneur does not have to possess all the qualities. In that case he has either to learn

or hire the services of those who possess the qualities he does not have to help him or her run the enterprise. The qualities can be summarised into the 10 which are categorised below;

To achieve	To plan	To manage
a. looking for opportunities	f. Goal setting	i. Persuasion and networking
b. Persistence	g. Systematic planning and monitoring	j. Self confidence
c. Commitment to work contract	h. Information seeking	
d. Demand for quality		
e. Risk taking		



Session Wrap up (30 minutes):

Review Questions: The facilitator asks the participants to write down the characteristics they associate with as entrepreneurs and those they will work on to become better entrepreneurs and what they need to put in place.

Entrepreneurial characteristic	Level of competence			Plan to maintain/ improve the characteristic
	High	Medium	Low	
To plan				
Goal setting				
Systematic planning and monitoring				
Information seeking				
Ability to accept change				
Creative and Innovators				
To achieve				
looking for opportunities				
Persistence				
Commitment to work contract				
Demand for quality				
Risk taking				
Mobilising resources				
Hard working				
To manage				
Persuasion and networking				
Self confidence				
Leadership				
Discipline				
Information seeking				
Focus on profits				

3.3 Session 2: Understanding fishing as a business

Duration: 1 hour

Overall Objective:

To enhance the understanding of the participants of what makes fishing as a business in comparison to an income generating activity.

Session Specific Objective:

By the end of the session, the participants will be able to:

- i) Differentiate between business and an income generating activity
- ii) Understand the tenets which makes a business in fishing

- iii) Understand the basic approaches to operating of a business

3.3.1 Fishing as a business

Activity 1 (5 minutes): Fishing as a business activity.

- i. The facilitator introduces the session by asking the participants to brainstorm on what makes the different income generating activities a business. The responses are noted down on a flip chart or manila paper.
- ii. The facilitator complements the learners' notes with a definition provided for in the lecture notes.



Facilitator's Notes

What is a business?

This is an enterprise that trades in services/ goods or both to satisfy customer needs with an aim of making profits in an organised and systematic manner. This can be owned by individuals, groups or by the state. However, fishing as a business is where people are engaging in the process of selling fish involving fishing, handling, drying and transportation with an aim of making money. The sole objective is to make profits.

An income generating activity is not so different

from a business only that the realisation of income is done in a less systematic manner. Such can be equated to a garden, or a bariya who get fish gives to the wife to sell and take after the home needs.

3.3.2 Business Ownership routes

Activity 2 (10 minutes): Operating Fishing as a business activity.

- i. The facilitator starts the session by asking the participants how they operate their business in regard to ownership & numbers and why? The facilitator establishes the types and writes them on the flipchart

ii. The facilitator clusters the responses as given by the participants and later divides them into corresponding groups to discuss the advantages and disadvantages of each.

Thereafter, the responses are presented to the plenary moderated by the facilitator.

iii. Facilitator supplements the responses by formally introducing the different types of business ownership.

iv. The facilitator concludes the session by emphasising the project agenda of doing business in the groups/cooperative and how this relates to sustainable fisheries.

Facilitator's Notes

Types of business ownership

- i. Sole proprietorship (Owned by an individual)
- ii. Partnership (Owned by more than one person)
- iii. Cooperative (Owned by large groups)



A sole business



A partnership business



A cooperative business

Types of business ownership	Definition	Advantages	Disadvantages
<p>Sole proprietorship.</p> <p>Note: The Facilitator should make sure traders understand this form of business ownership well since it's the commonest form. But also highlight its disadvantage to discourage participants from this type of business.</p>	<p>This is a business set up owned and managed by one individual.</p>	<ol style="list-style-type: none"> i. The owner of the business is responsible to no body ii. The sole proprietor enjoys all the profits alone iii. It's easy to make decisions since it's a one man's business iv. There is freedom of managing the business 	<ol style="list-style-type: none"> i. The owner of the business suffers all the losses alone ii. Business resources/ capital is limited since the strain is on one person iii. Business liability is unlimited. Personal assets can be impounded upon defaulting debts
<p>Partnership</p>	<p>With this form of business ownership, two or more people bring resources (capital) together to start a business</p>	<ol style="list-style-type: none"> i. It is easy to acquire the resources (capital) needed. This is because more than one person is involved ii. Profits are distributed among partners in form of shares iii. The risk of losses is distributed amongst partners. iv. Vast resources can be brought on board by different partners including expertise, money, skills and knowledge 	<ol style="list-style-type: none"> i. It's not easy to make decisions. This is because each partner has a contribution to make ii. Business management freedom is restricted since each partner is engaged formally in management affairs iii. Liability of each partner on debts is unlimited
<p>Cooperatives</p>	<p>Different people come together to do business with a common objective. In a cooperative business ownership form, people engaged are called members and they are engaged in the daily operations of the business.</p>	<ol style="list-style-type: none"> i. This is the strongest form of business compared to sole ownership and partnerships ii. Members share profits equally and they have equal rights iii. Members contribute equal amounts of capital iv. Few members are entrusted to manage the cooperative by voting them v. The liability of members is limited vi. Since they are owned by a large number of people. It makes it easy to access financial support from the Government or its programs 	

3.3.3 Enhancing the understanding business ownership

Activity 3: (20 minutes) Comparisons of partnerships with individuals

- i. The facilitators reads this case study to the participants.

Case study: There were 3 fish traders that decided to deal in fish business. These were; Apio, Okello and Obore. Apio decided to run the business as an individual and he raised 5,000,000. Okello and Obore raised 10,000,000 after each

contributing 5,000,000. For their business to operate at the required threshold, each need an injection of 40 million. Fisher's pride Microfinance wanted to extend loan services to each of these and have to make a decision.

- ii. The facilitator divides the participants into two groups as asks each to deliberate on the following questions;
 - a) What business ownership types are exhibited?

- b) Between the individual and the group, who would access the loan quickly?
- c) Who would get much more needed capital for the business?
- d) How easy is it to operate business between the two?
- e) Are there any other business operating approaches these traders could consider?

iii. The different groups present their deliberations to the plenary and discussed with guidance of the facilitator.

- i. List the different business prospects in the fishing industry (value chain) around Lake Kyoga and its catchment area
- ii. Identify the best businesses to pursue based on their capacities and abilities
- iii. Develop an action plan of building the identified business options into a business

3.4.1 Creating an idea list of businesses in the fishing sector

Activity I (20 minutes): Creating an Idea List and screening of businesses

- i. The Facilitator introduces the session by requesting participants to list down their business prospects/ideas within the fish value chain and describe them. NOTE: The facilitator ensures that they raise as many ideas as possible, whatever business idea one has ever dreamt of.
- ii. The facilitator clusters the participants into groups who have similar or near same ideas and causes them to discuss the potentials/prospect in becoming a business.
- iii. The facilitator requests the participants to acquire new exercise books from which they write down their business options and choose what they can do best within their capacities.
- iv. The facilitator then informs the participants to develop each idea into a business plan as directed above.



Wrap up: (10 minutes)

The facilitator wraps up the session by;

- i. Emphasizing to the participants the advantages of partnerships and cooperatives versus the sole proprietor business and why its important for sustaining fisheries
- ii. He or she should encourage participants to change the way they are doing their businesses so that they focus on earning profit rather than doing them as subsistence/income generating activities

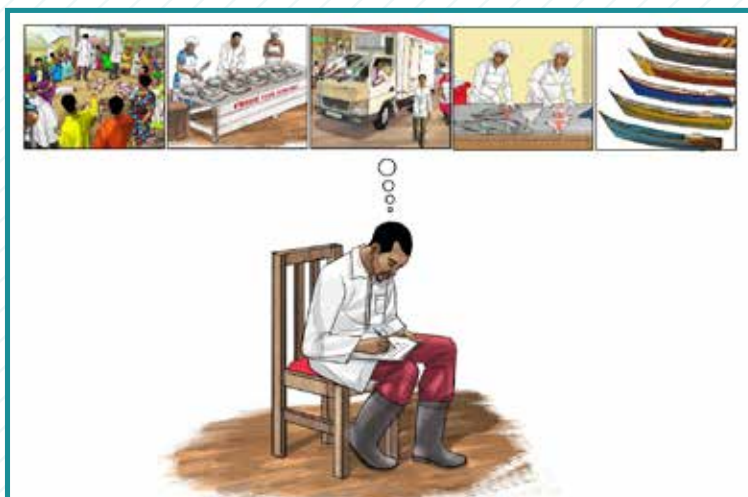
3.4 Session 3: Fish Enterprise Analysis

Duration: 1 hour

Overall Objective: To equip business owners with skills of selecting the best business to operate

Session Specific Objective:

By the end of the session, the participants will be able to:



Screening of different ideas



Facilitator's Notes

Business idea

A business idea is a short and precise description of the basic operation of an intended business. Before you start a business, you need to have a clear idea of the sort of business you want to run.

Idea	Description
Idea 1: Selling fish in pieces	I know about fish and enjoy fishing. No one else does this in town. There will be lots of customers. I can find out what they want and know how much money is needed to start. It will probably be tiring with many deliveries to make. I would enjoy meeting so many people.

Selected business idea



Facilitator's Notes

Business idea screening criteria

Whereas we might have many ideas, it is important to note that it might be hard to implement all these ideas at once. You need to decide and prioritize on which to implement at that particular time. The screening can be done against many criteria but you need to decide which one is more relevant and important in your context and capacities. These may include;

- Examining your existing products and their shortcomings/ product improvements most needed
- **Needs of your market;** Depending on your skills and the needs of the customers, you should decide which good or service your business will sell. Also, keep in mind that they must be goods or services that people are willing to pay for and at a price that will allow you to make a profit. A good is an item that people pay for and use. It may be something you make yourself or it may be something you buy to resell. A service is something you do for people that they then pay you for. For example, delivering goods, banking, babysitting, repairing items, collecting recyclable waste from apartment buildings, operating tours, etc. are all services.
- **Customers;** Any business cannot succeed without customers. Therefore,

it is essential that you know who your customers will be and their prominent needs. Will you sell to a specific type of customer or to everyone in an area? There must be enough people who are able and willing to pay for your goods and services or the business will not survive

- **The feasibility of the idea;** Can the idea be done and conforms to the norms of the society in which the customers thrive. Also the idea needs to be within your resources reach
- **How to sell;** How are you going to sell your goods or services? If you plan to open a fish enterprise, you know how you will sell your fish products, for example, you can sell either directly to customers, to retailers or to wholesalers. Some businesses sell directly to their customers:
- **The level and scope of research and development required for the product to be developed.** The more complex the idea, the more resources may be required. Always focus on ideas which are achievable within your reach.
- **The profitability of the idea.** What is its potential appeal to the market? How would you price it? What are the costs in bringing it to market — overall and per unit? Where the product fits in the market. Is there a gap? How close is it to competitor products?



NB: A good business idea will be compatible with the sustainable use of natural resources and will respect the social and natural environment on which it depends. Your business can only be sustainable in the long run if it works in harmony with the social and natural environment. As an entrepreneur kindly take note of the following key concerns: How much does your business depend on the environment? Does it rely on the weather, soil or other natural resources? Does it need any specific type of labour from the local community? Does it need the local community to support it? What should you do to make sure that your business nurtures the natural environment and helps the local community? Will your business nurture the natural environment or will it have a detrimental impact? How would you minimize or reverse any negative effect that your business might have?

Simple screening criteria matrix

Exception Criteria	Idea 1	Idea2	Idea 3	Explanation of why yes or no was selected
Applicable (Y/N?)				
The idea serves the market and customers' demands				
The idea is affordable (including capital)				
The idea is technically feasible				
Business is culturally acceptable				
The idea is profitable and has and the return on investment				
The idea is relevant				
The idea can with stand the common competition				
Do you have the relevant experience to do the business? Can you gain such experience				
Clearly define the change and align it to business goals.				

Focus on ideas which score more Yes. And make final selection

NB: The more you focus, think and improve your idea, the more it will become a reality



Session wrap up (5 minutes)

Review Questions:

- How do you select the best business idea?
- How do you screen a business idea?
- How do you manage change from one business to another?

3.5 Session 3: Introduction to Business Planning

Duration: 1 hours

Overall Objective: To enable learners/business players systematically plan for their business

Session Specific Objective:

By the end of the session, the participants will be able to:

- Introduce the participants to the general concept of business planning
- Understand the building tenets of the business plan
- Initiate the planning of own businesses as an output to the training.

3.5.1 Defining a business plan

Activity I (30 minutes). Introduction to a business plan

- The facilitator opens the session by asking the participants to share their experiences on how they understand a business plan and how they plan for their businesses.
- The facilitator then introduces the concept of the business plan and gives a narrative of the building components of the business plan.
- Thereafter the participants informed that they will have to build a business plan for their screened businesses as identified in the books after discussing the different components.



Facilitator's Notes

Defining a business plan

A business plan is a written document that describes in detail how a business—usually a start up—defines its objectives, how it is to go about achieving its goals as well as a strategy for building and running it..A business plan lays out a written roadmap for the firm from marketing, financial, and operational standpoints.

The following are some of the reasons why you need a business plan:

- If you are starting a new project or business venture
- If you are looking for a business partner
- If you require financing and incentives
- To manage your business better
- To measure actual performance compared to what was planned

Importance of a business Plan can:

- Help highlight aspects of the business that need special consideration
- Help you plan your operational setup better
- Help you use your financial resources more efficiently and ultimately more profitably
- Help identify your core competencies (what you can do best) and weaknesses
- Help identify weaknesses and threats to the business
- Open your eyes to new opportunities such as; partners, investors and loans
- Help you understand your competitors
- Assist your management capabilities in relation to specific tasks and functions as well as bring awareness to human resources and capacity needs

Note: *Entrepreneurs should remember that nobody knows their businesses as well as they do. Knowing what they are capable of, and where they want to be in the future, is the essence of a good Business Plan. With these two points in mind, all they need to do is develop the right strategies to achieve their goals.*

CONTENTS OF A BUSINESS PLAN

S/N	CHAPTER	CONTENTS
1	1. General description of business	<ul style="list-style-type: none"> • Name of business, business location and address • Nature of business activity • Problems the business will solve • Type of business organisation (partnership, cooperative, new, old,) • Ideal customer • Any further explanation summarizing why the business will be successful
2	2. Personal background	<ul style="list-style-type: none"> • Name of business owner(s), promoter(s) • Educational, professional background • Relevant experience in business-related activities
	Products and/or services	<ul style="list-style-type: none"> • What will the company sell • How the company will make money off the products and/or services • What will be the pricing model • How the price will compete with others
3	3. Market plan	<ul style="list-style-type: none"> • What the company will sell • Business market area and targeted customers/ customer groups • Why you will be able to compete with existing products/ services and how do you compare competitors (price, quality, appearance, performance,) • Past, current, future (projected) market demand for your product/service (if possible in terms of volume/units per day/months) • Suppliers and supply terms and conditions • Unit pricing and list of all items/services being offered • How you will be selling your produce (direct, dealers) <p>Note: Include the market research survey report as an annex</p>
4	4. Management plan	<ul style="list-style-type: none"> • Who will be the actors in this business? • Specify their roles and the division of labour (if applicable) • How will the business work be organized (e.g. working shifts, working times, working conditions)?
5	5. Financial plan	<ul style="list-style-type: none"> • Investments required • Fixed assets/starting equipment (e.g. land, tools, machinery) • Preliminary expenses • Pre-operative expenses (e.g. legal fees, licensing fees, bank charges,) • Start-up expenses (e.g. water, electricity connection, cleaning of premises, etc.) • Working capital (raw materials, rent, water, transport, etc.)
6	Sources of raising funds	<ul style="list-style-type: none"> • Total requirements • Family/Friends contribution • Own contributions/investments • Already secured loans, credits etc • Total funds available • Deficit/funding gap • Loan support required
7	Operating plan forecast	<ul style="list-style-type: none"> • Less cost of production and overhead/fixed costs • Income from sales • Projected operating income statement • Net profit • Break even analysis • Cash flow projection
8	Major assumptions	<ul style="list-style-type: none"> • Give the assumptions you've made that underpin your plan e.g., assumptions that particular resources will be available
9	Business profile/Summary	<ul style="list-style-type: none"> • Summary that shows all major aspects on one page

Task: Building your business Plan



Open your business planning book and based on the business(es) you screened to engage in along the fish value chain.

Write about:

General description of business

- Name of business, business location and address
- Nature of business activity
- Problems the business will solve
- Type of business organisation (partnership, cooperative, new, old,)
- Ideal customers
- Any further explanation summarizing why the business will be successful

Personal background

- Name of business owner(s), promoter(s)
- Educational, professional background
- Relevant experience in business-related activities

Products and or Services

- What will the company sell?
- How the company will make money off the products and/or services?

3.6 Session 4: Introduction to marketing your business

Duration: 2 hours

Overall Objective: Enhance the ability of the learners to effectively market their goods and services related to the fisheries value chain.

Session Specific Objective:

By the end of the session, the participants will be able to:

- Understand the meaning of marketing
- Understand how marketing of their respective fish business can be done
- Understand the importance of marketing in a fish business
- Understand the importance of branding

3.5.2 Definition of marketing

Activity 1 (10 minutes): Marketing

- The facilitator begins by asking the learners how they market their goods and services to the target customers and why marketing is important. Responses are written on the board/flip chart
- The facilitator concludes the activity by delivering a lecture on marketing and its importance in the fisheries related businesses. Also the facilitator takes the participants the practical application and use of the ABAVUBI APP.



Facilitator's Notes

What is Marketing?

Marketing can be described as activities a business entity does to promote and selling buying of its products and services.

Marketing involves identification of efforts to identify and satisfy customers' needs and wants as well as maintaining them. It involves finding out who your customers are, what they need and want, the prices, the level of competition. It involves the knowledge and all the processes you undertake to sell your product. Marketing involves advertising, selling and delivering products to consumers.

Importance/benefits of Marketing

Generally marketing seeks to match the business entity's products and services to customers who want to access them. Perfecting this match usually leads to better sales and profitability. The business can benefit in several ways from marketing and these include;

1. Creation of an audience; Marketing allows a business to target specific people it believes will benefit from its product or service. Maintaining such an audience increases sales.
2. Continuous awareness and change; The

business entity usually is aware about the products preferred by the customers. This gives room for changes to happen within a business.

3. Identity; Overtime the business can isolate its self from the crowd once its products are known. It ideally creates its own brand.

4. Business growth; The more the company engages in marketing its products, the more it will grow in its structures to have people engaged in personalization, prediction and research which leads to better problem solving.



Woman marketing her fish in the market

How is marketing of fish products done?

The following are some of the effective ways of marketing products.

i) Personal Selling

The two-way flow of communication between a buyer and seller, often in a face-to-face encounter, designed to influence a person's or group's purchase decision

ii) Relationship Selling

The practice of building ties to customers based on a salesperson's attention and commitment to customer needs over time

iii) Partnership Selling

The practice whereby buyers and sellers combine their expertise and resources

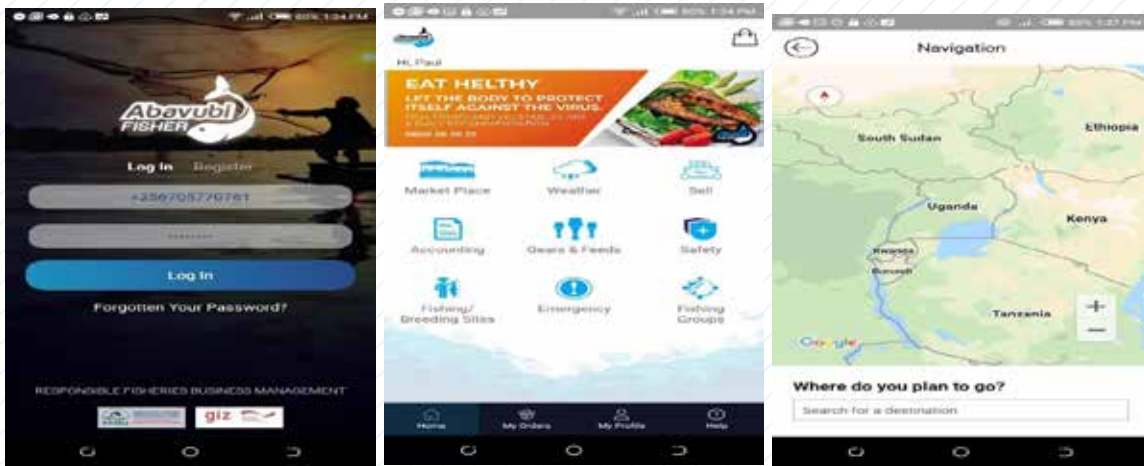
to create customized solutions; commit to joint planning; and share customer, competitive, and company information for their mutual benefit, and ultimately the customer

iv) Team Selling

Using an entire team of professionals in selling to and servicing major customers.

v) Email/online marketing

Email marketing is the only digital marketing tool that allows you to build a personalized relationship with customers and continue to nurture them well after their first purchase. Here encourage all the participants to popularise the abavubi app.

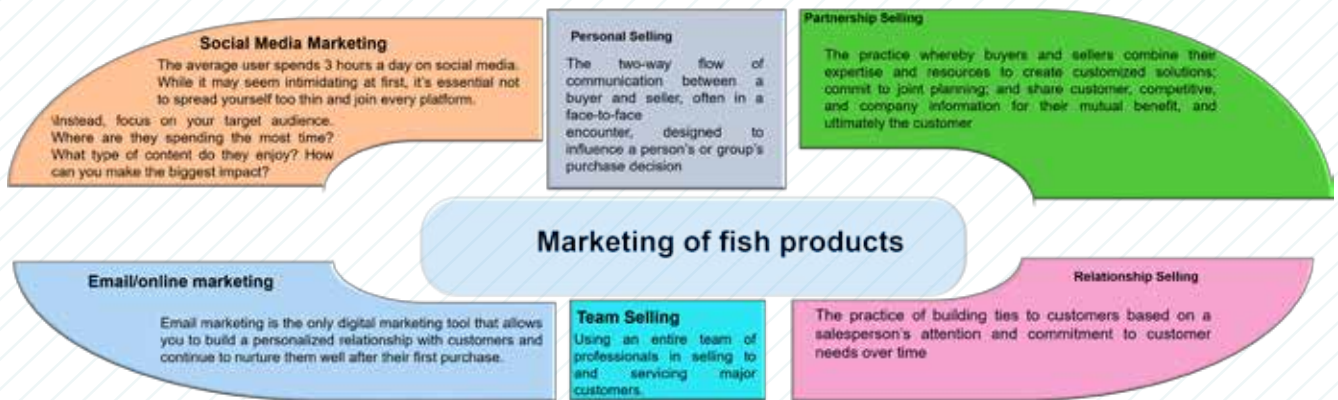


ABAVUBI app

vi) **Social media marketing**

The average user spends 3 hours a day on social media. While it may seem intimidating

at first, it's essential not to spread yourself too thin and join every platform. Instead, focus on your target audience. Where are they spending the most time? What type of content do they enjoy? How can you make the biggest impact?



3.5.3 **Effecting Marketing**

Activity I (30 minutes): Effective marketing

- i) The facilitator opens the session by asking the participants on the techniques they apply to effectively market their products/services.
- ii) The facilitator then introduces the concept of the 5Ps of marketing. The facilitator then

groups the participants based on their business types and requests them to go through each component and how it applies to their business/services.

- iii) After each group presents their findings to the plenary and after they receive feedback from other participants.



Fish market with variety of fish: how do you win the customer over?



What are the 5Ps of marketing/Market mix?

1. PRODUCT

Product refers to goods/services produced for sale, the product /service should relate to the needs and wants of the customers

Some important questions you need to ask yourself include;

- What products/services do I sell?
- Why did I decide to sell these products?
- Do I have the products customers want?
- Do any of my products not sell well?
- Do I stock products that do not sell well?

Always listen to what your customers like and don't like. When their needs change,

change your products and services to satisfy the new needs. Do more market research in order to provide those products or services and increase your sales. If your product is not selling well, think of new ideas like finding new customers.

2. PRICING

Pricing refers to the process of setting a price for a product/service. Your prices must be low enough to attract customers to buy and high enough to earn your business a profit.

To set your price you need to;

- Know your costs.
- Know how much customers are willing to pay.
- Know your competitors price.
- Know how to make your prices more attractive

3. PLACE

Place means the different ways of getting your products or services to your customers. It is also referred to as distribution. If your business is not located near your customers, you must find ways to get your products/services to where it is easy for customers to buy. You can distribute your products to your customers through;

- Selling directly to the consumers of the products.

- Retail distribution and wholesale distribution

4. PROMOTION

Promotion means informing your customers of your products and services and attracting them to buy them. Promotion includes advertising, sales promotion, publicity and personal selling.

Use advertising to make customers more interested in buying your products or services. Some useful ways of advertising include signs, boards, posters, handouts, business cards, pricelists, photos and newspapers. You can use sales promotion to make customers buy more when they come to your business, you could also;

- Ensure you maintain attractive displays.
- Let customers try new products.
- Have competitions
- Give demonstrations
- Sell complementary products (products that go together)

5. PEOPLE

The people element refers to your customers, yourself and your staff. You need to consider both your staff and customers if you're thinking of growing your business. It includes understanding what your customers' needs and wants are, setting targets and measuring your customer service levels so that you attract and keep loyal customers. You'll also need to consider staff training so they have the skills to offer the best experience and meet customer expectations.

Understand the people who are buying from you and plan for those who will buy from you in the future. Also think about the customers who stopped buying from you and establish the reasons why they stopped. You need to develop action plans of winning them back.

Tips on balancing your customer needs and the business

- Understand your customer needs and differentiate them from wants. Wants are those things which they wish to have from your business but at that instance they may not make business and financial sense.

- Understand the products which your business delivers and ensure to align to the customer demands
- Look out for locations which are favourable to your customers
- Amidst all the customer demands, make sure to make sensible profits from your business.



3.5.4 Marketing Strategy preparation

Activity I (30 minutes): Marketing strategy

- The facilitator divides the participants into groups doing related activities and requests to devise ways on how best they can market their products/services to the target customers.
- The learners present their findings and thereafter the facilitator takes them through a discussion on what the best marketing strategy would be and why?



Facilitator's Notes

During this exercise, the motive is to motivate the participants to establish a marketing strategy. It is one of the expected outcomes within the business plan.

The following components should be considered;

1. Marketing mix (4 Ps of marketing): Relate to the notes provided

2. Marketing objectives: What goals do you want to achieve with your marketing.
3. Marketing budget: Establish the estimated cost to enable you do meaningful marketing.
4. Competitive analysis: Understand who your competitors are, what they do and how they do it. Then base on this to make a relevant and competitive market strategy.
5. Segmentation, targeting and positioning: This will involve identification of the target audience, the specific segment within the audience, position of the business in relation to other similar businesses

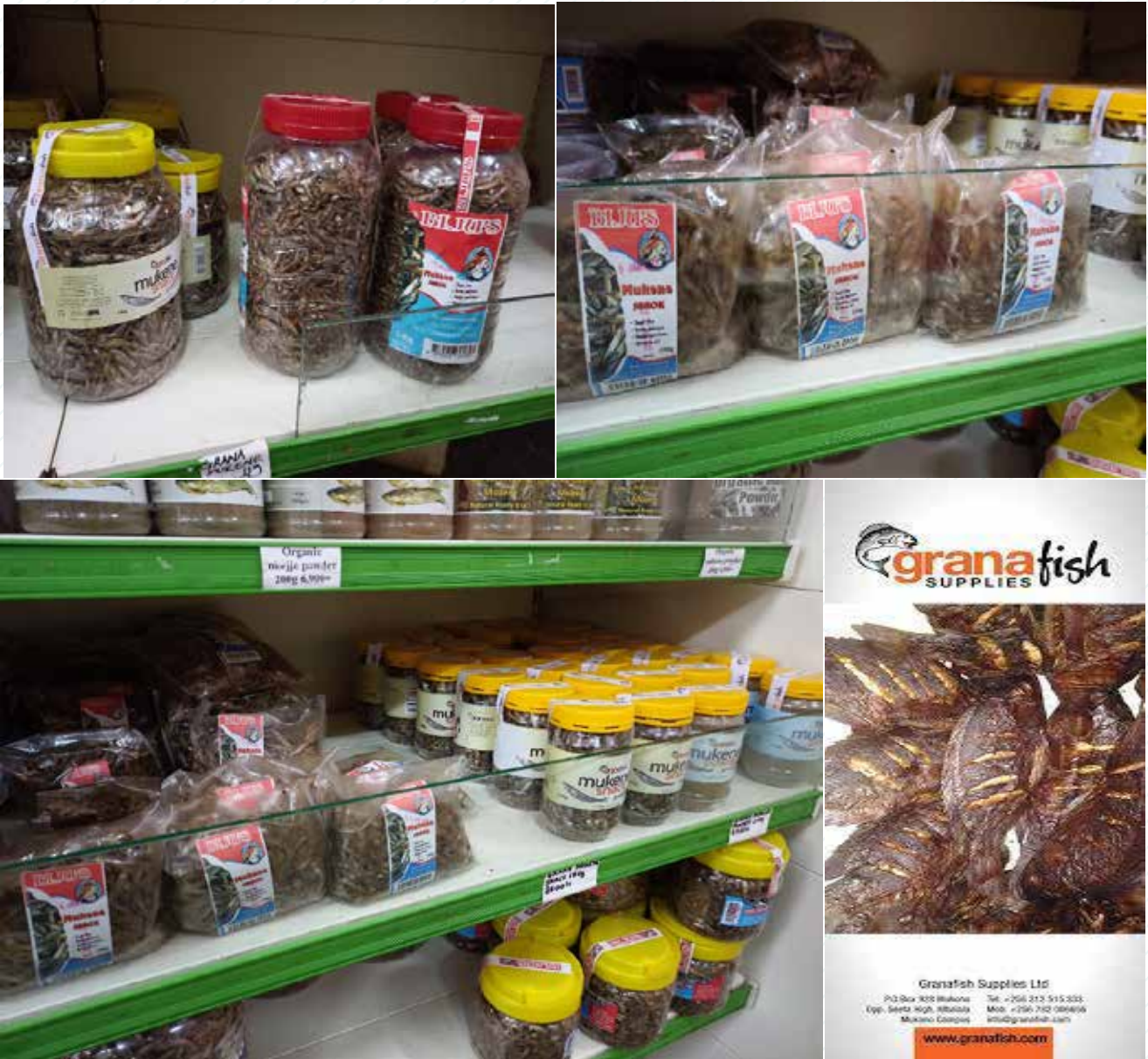
3.5.5 Branding

Activity I (20 minutes): Defining Branding

- The facilitator begins by asking what the participants to mention the commonest toothpaste, fuel, Sugar, shoe polish, toothpaste, tea, soap and salt and other any other thing with multiple brands which

they know. They also need to complement this with why they prefer that.

- ii) The facilitator compliments this by defining a brand and why it is important to brand in fish related businesses.
- iii) The facilitator then asks the participants to also identify any brands of fish products they know of and where they usually find them?
- iv) The facilitator concludes the session by giving a lecture on branding and why it is important.



Branded fish products in supermarkets and other market channels



Facilitator's Notes

What is branding?

Branding can be defined as “the marketing practice of creating a name, symbol or design that identifies and differentiates a product from other products”.

Fish can also be branded as a product.

There have been different attempts to brand fish and related products. For example, people have started branding fish products such as whole mukene in tins, crushed mukene and some smoked fish. There are also many emerging shops which sell fresh fish beyond the traditional approaches where it was sold in markets, bicycles and other places. Others have engaged in selling

live fish especially those who have cages. All these efforts are aimed at promoting fish as a product.

It is important to note however that fish, especially fresh fish is difficult to brand and maintain product consistency. To achieve product consistency, it is important to set standards and conditions to maintain the products. For example, fresh fish needs be kept at some temperatures, the smoked

fish needs to be re-smoked from time to time to maintain its integrity. It is important therefore to come up with innovative ways through which fish can be marketed in a branded manner. One of them could be setting up customer databases where it is easy to reach customers when stock is available.



Well sundried Mukene before processing and branding

Importance of branding

An effective branding strategy is important in many ways which include;

- i) **Business visibility;** It is easy to identify a business with a brand name and it is easy for people to understand your products at an instance. People can easily refer others to your products by name. An effective brand strategy gives a business a major edge in increasingly competitive markets. The brand is a SMEs promise to target customer. It tells them what they can expect from your products and services, and it differentiates your offering from that of your competitors. The brand is derived from what the SME is, what it wants to be and who people perceive it to be.
- ii) **Standing out in the crowd;** Branding for SME is very important as it helps to differentiate its services and makes the SME out in the crowd. It goes a long way to create a positive image and perception in the eyes of the customer. To do this, you should

invest in creating a strong brand that will get and keep people's attention. With the right branding, you have the chance to get some control over how people perceive your business, so you don't want to overlook this.

- iii) **Creates trust and loyal customers;** A good brand will create loyal customers for you hence better sales. You will always be their choice in regard to the products you are selling. It is these loyal customers that will bring others and you will be recognized more. 'You stay in their mind'.
- iv) **It's good for your employees;** Branding creates value inside your business. It makes the employees want to work with your company and feel part of the team. It makes them feel that they are involved in something more than a job.

Branding helps you show potential customers that you're an established, credible business. You can use this to tell people very early on what they can expect from your business.

3.5.6 Creating a successful and a good brand

Activity 2 (40 minutes): What makes a good brand and brand strategy?

- i) Through a brainstorming session, the facilitator asks the participants on what to consider when making a winning/powerful brand. The responses are written on the board.
- ii) There after the facilitator gives a lecture on the 7 musts of branding as indicated in the facilitator's notes.
- iii) The facilitator concludes the session by asking the participants to each from their own brands using the parameters they raised. Each presents their own branding strategy for their SMEs and how it will be communicated.



Facilitator's Notes

Creating a good brand?

Creating a good brand is like an endless journey of business self-discovery. It can be difficult, time-consuming and uncomfortable. It requires, at the very least, that entrepreneur to answer the questions below:

- a. What is the mission of the enterprise?
- b. What are the benefits and features of the fish enterprise?
- c. What do customers think of the enterprise?
- d. What qualities do you want customers to associate with?

After answering these questions, it is important to understand what can make your brand vibrant to the customers (present and potential), the company employees and your other stakeholders you deal with. Some of tips one can use to generate a brand message include;

1. **Identify**, create and manage; There is a structured process to branding, one where you must first identify who/what you want to be to your stakeholders, create your brand strategy to position yourself accordingly, and then constantly manage everything that influences your positioning. This can involve;
 - Get a great logo. Place it everywhere.
 - Get your colors and stick to them.
 - **Write down the brand messaging.** Every employee should be aware of your brand attributes.
 - **Create a "voice" for the SME that reflects the brand.** This voice should be applied to all written communication and incorporated in the visual imagery of all materials, online and off.
 - **Develop a tagline.** Write a memorable, meaningful and concise statement that captures the essence of the brand.

- Design templates and create brand standards for the marketing materials. Use the same color scheme, logo placement, look and feel throughout.
2. **Integrate the brand.** Branding extends to every aspect of the SME business - like how phones are answered, dress code for sales people etc. It creates cumulative assets and actions. Such assets include visual identity, contents and products. The actions may include; services, customer support, human relations and experiences. These project into your stakeholders' minds, slowly building up that perception.
 3. **Be true to the brand.** "Customers will not return to you--or refer you to someone else--if you do not deliver on your brand promise".
 4. **Be consistent.**
 5. **The brand is like the business life and entire identity.** The brand will give your business its personality, like the way we define human beings.

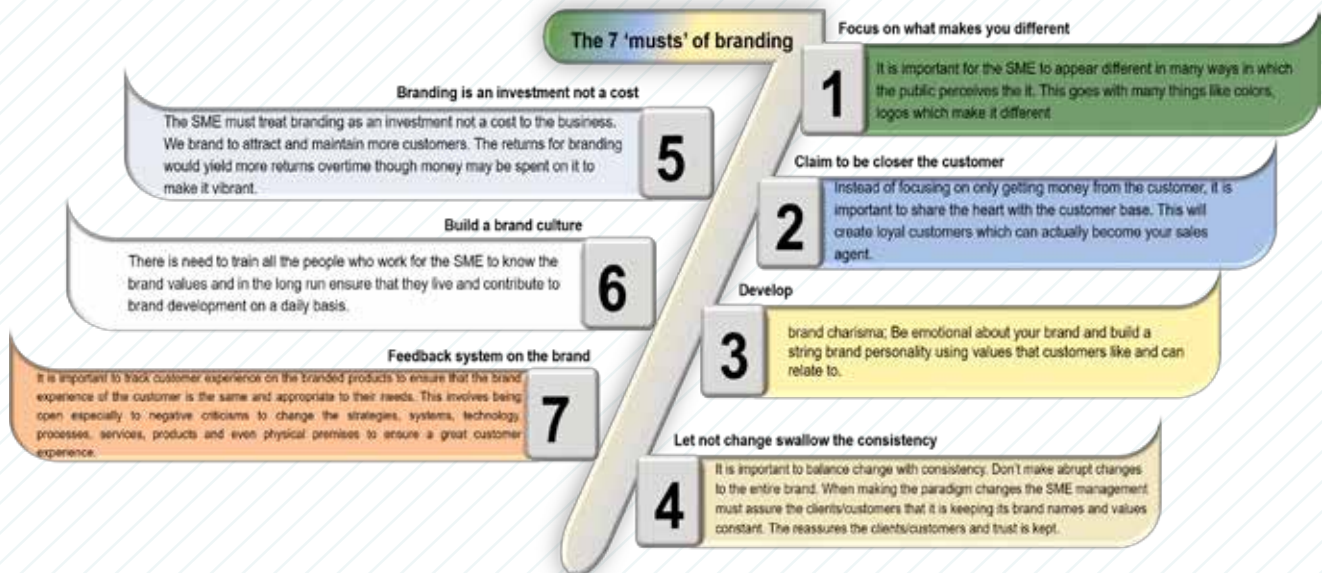
The 7 'musts' of branding

SMEs interested in developing vibrant brands within the fish sector must focus on a number of things;

1. **Focus on what makes you different;** It is important for the SME to appear different in many ways in which the public perceives the it. This goes with many things like colors, logos which make it different. Also the quality of processing of the fish and the way it is processed matters a lot in defining your brand and its uniqueness.
2. **Claim to be closer the customer;** Instead of focusing on only getting money

from the customer, it is important to share the heart with the customer base. This will create loyal customers which can actually become your sales agent.

3. **Develop brand charisma;** Be emotional about your brand and build a string brand personality using values that customers like and can relate to.
4. **Build a brand culture;** There is need to train all the people who work for the SME to know the brand values and in the long run ensure that they live and contribute to brand development on a daily basis.
5. **Feedback system on the brand;** It is important to track customer experience on the branded products to ensure that the brand experience of the customer is the same and appropriate to their needs. This involves being open especially to negative criticisms to change the strategies, systems, technology, processes, services, products and even physical premises to engineer a great customer experience.
6. **Let not change swallow the consistency;** It is important to balance change with consistency. Don't make abrupt changes to the entire brand. When making the paradigm changes the SME management must assure the clients/ customers that it is keeping its brand names and values constant. The reassures the clients/customers and trust is kept.
7. **Branding is an investment not a cost;** The SME must treat branding as an investment not a cost to the business. We brand to attract and maintain more customers. The returns for branding would yield more returns overtime though money may be spent on it to make it vibrant.



What is a branding strategy?

The SME's brand strategy is how, what, where, when and to whom it plans on communicating and delivering on the brand messages. Consistent strategic branding leads to a strong brand equity, which means the added value brought to SMEs fish products or services, that allows the SME to charge more for the brand than what identical, unbranded energy products command.

A branding strategy is the long-term plan to achieve a series of long-term goals that ultimately result in the identification and preference of your brand by consumers. A successful branding strategy encompasses the brand's mission, its promises to its customers, and how these are communicated. The branding strategy should have;

1. The brand's objectives and how they need to be communicated
 - a. What problems will your brand solve and;
 - b. how will it benefit its intended customers?
2. How to identify ideal customers
 - a. who will benefit from the brand?
 - b. How do these customers feel and how would they like to feel?
3. How to identify your competitors?
 - a. Who is already giving your potential customers what they want and how?
4. How do you engage potential

customers?

- a. What personality and tone of voice will your brand have to achieve its goals?



REMEMBER: People get exposed to different brands every day and customers also have option on the products and services they want. They also have tastes and preferences and can-do research to find out the best ones. So, in whatever you do, make it easy for the customer to choose you.



Session wrap up (5 minutes)

Review Questions:

The facilitator concludes the module by reading out the story of Nanyonga and then asks the participants what they learn from it.

The facilitator concludes the session by asking participants to respond to the following questions:

- What is a market?
- Why is client segmentation required?
- What are the best marketing strategies?

Task: Building your business Plan



Open your business planning book and based on the business(es) you screened to engage in along the fish value chain.

Write about:

Management plan

- Who will be the actors in this business?
- Specify their roles and the division of labour (if applicable)
- How will the business work be organized (e.g. working shifts, working times, working conditions)?

Marketing Plan

- Business market area and targeted customers/ customer groups
- Why you will be able to compete with existing products/ services and how do you compare competitors (price, quality, appearance, performance,)
- Past, current, future (projected) market demand for your product/ service (if possible in terms of volume/units per day/months)
- Suppliers and supply terms and conditions
- Unit pricing and list of all items/services being offered
- How you will be selling your produce (direct, dealers)
- What will be the pricing model?
- Note: Include the market research survey report as an annex
- How the company will make money off the products and/or services?

Kisoboka-Yes you can;The story of Nanyonga, the woman fish entrepreneur⁴



Grace Nanyonga Mugisha, orphaned at the age of twelve, Grace was left with the responsibility of taking care of her siblings after relatives sold off their property. To fend for the family, she did roast maize and later used the capital to start selling chicken on a sigiri (Local Stove) in Mbuya

Kinawataka (near her school-our Lady of Consolata) which earned her a name 'Chicken' by her peers but now she is the called the 'Fish girl'. During the time when she sold the chicken, she used to welcome the customers with a smile which made her stall popular.

Nanyonga is currently the founder and CEO of Grana Fish Supplies Ltd which deals and supply smoked fish. They smoke, season it and make it ready for eating. Her turning point was after a 3-day seminar which was organized by Youth Alive at her school and the theme was 'How can you make it in life'. During the seminar the students were asked how one could be popular; they all chanted 'Chicken' meaning Nanyonga. The organisers picked interest in her chicken roasting and they called the journalists from Monitor who published her story. The story touched many people among which was Mrs. Ruth Kavuma, then headmistress of Gayaza High who took her in as her child and she has seen her through to where she is today.

⁴ Story adopted from: <https://www.rotaryd9211.org/stories/the-fish-girl-who-inspires-many-youth-and-women>

During her S.6 vacation, I asked tried jobs but her mentor encouraged her to start something. After this, her mentor introduced her to Ssesse islands to train on smoking fish with value addition and then sell to her friends. She introduced her to a friend, Reverend Ddambya who taught her how to bargain and source for the best fish. The mentor helped her to sell fish to her friends in parliament, and Rotarians. I have encountered many mentors including Maggie Kigozi. Since then, I have been exposed to different organization like Uganda Women Entrepreneurs Limited (UWEAL) and presented in many conferences in UK, USA among others.

She has encountered a number of challenges in her fish business including one time when she was coming from Sesse Islands and was using a taxi and the whole box of fish fell and smashed

to pieces. She lost all her capital and closed. She got a job, raised enough capital to restart her business. During the process of recovery, she unfortunately lost a lot of money when Nakumatt closed but she is slowly recovering. She currently employs 3 permanent employees and over 20 casual employees in Mukono. She has mentored several women groups in Kalangala and Mukono and supported them to start fish smoking businesses. She has travelled all over the world telling her story and motivating youth and women in entrepreneurship.

“YOU CAN BE THE NANYONGA, YOU CAN INSPIRE OTHERS AND THIS TRAINING CAN BE YOUR TURNING POINT”



4. MODULE 2: BUSINESS FINANCIAL MANAGEMENT

4.1 Objectives of the module

The overall objective of the module is;

Transform the existing fisheries groups on Lake Kyoga through empowering them business skills, knowledge and attitudes related to financial management.

Specifically, the learners should be in position to;

- i) Understand the constituents of good financial management practices
- ii) Expound on the understanding of techniques and tools required for running a good fisheries business
- iii) Ignite the transformation of business from being informally to formally driven
- iv) Empower the learners with the envisaged outcomes of running a good business.

4.2 Session I: Financial Management overview

Session Specific objectives:

- i) To understand the current financial management practices of the learners
- ii) To introduce the concept of financial management
- iii) To lay way on the formalities of business management.


4.2.1 Defining financial Management

Activity I (30 minutes): Defining Financial management

- i) The facilitator begins the session by asking the participants to share their experiences on how they manage their business. This should be done in a generic manner.
- ii) The facilitator then asks the participant the strengths and weakness of the way they manage their businesses.
- iii) The facilitator then randomly creates groups among participants and they discuss how they can improve their business.

In this they need to discuss the barriers which hinder them from acquiring such solutions.

- iv) The facilitator concludes the session by giving a lecture on the formal definitions of financial management, its importance and broad activities which are involved.



Facilitator's Notes

Understanding financial management

Financial management is the process of planning, organizing, controlling and monitoring financial resources with a view to achieve organizational goals and objectives. It involves overseeing all aspects of a business, from finance and operations to marketing and human resources. It is an ideal practice for controlling the financial activities of a business which may include among others; procurement of stock & equipment, accounting, payments, risk assessment and other issues related to managing money in a business.

Steps in financial management

In general, financial management involves broadly a set of activities or phases which can be broadly categorized into;

- i) **Planning;** Planning is a process of coming up with a plan of action to achieve a set target for operational activities (thinking ahead of time). This may involve forecasting events, scheduling and re-scheduling of activities and tasks that affect the attainment of a target or goal. In a business we can plan for resources and activities to be done, financial goals and objectives, stock management and employee management, resource management among others. The planning stage also involves development through which identified activities will be managed.
- ii) **Management;** This step involves the implementing of the activities which have been planned for. This step may involve activities related to the procedures in

which the different activities related to financial management will be implemented and controlled. At this stage the different staff are allocated different duties and responsibilities. The commonest financial management aspects at this stage will include accounting, record keeping, banking and budgeting.

Also, at this stage;

- leadership is very important to give strategic direction on the different

activities related to financial management.

- Mobilizing of the appropriate man power or staff to implement the activities related to financial management needs to be done.
- Control protocols; Control protocols over the staff and other resources need to be in place. Controls need to be extended to the budgets, cash movement, credit/sales, stock and even work performance.



Importance of financial management

First and most important user of this information is the owner of the business. Financial Management helps in decision making on matters of profitability, investment, cash management, pricing and other aspects of business performance. The cost of making wrong decisions is high and, in many cases, leads to business failure. Financial management helps reduce mistakes in decision-making and enhances management effectiveness (making the right decision).

For purposes of this module, a few aspects of financial management have been selected. These include; financial literacy, record keeping, financial reporting. Also, the importance of these have been demonstrated through business processes such as costing and pricing and financial linkages to banks.

4.3 Session 2: Money Management

Session Specific objectives:

- To understand the different types of money as experienced by an entrepreneur
- To understand how the different types of

money are used in a business

- To enhance the understanding of the avenues for mobilising capital
- Understanding how credit is managed

4.3.1 Personal cash and Business Money management

Activity 1 (30 minutes): Differentiating between personal and business money

- The facilitator starts the session by asking the participants to brainstorm what they understand by personal and business money.
- The facilitator then gives a brief definition of what personal and business money is?
- The facilitator groups the participants into three groups and asks each to generate a typical list on what they spend on in their day to day lives. Then against each expenditure, they need to show the sources of money, either personal or from the business.

- iv) The facilitator then asks the participants to brainstorm on what steps they need to take to separate business money from personal money and the benefits which come with this.
- v) The facilitator closes the session by giving the tips of separating personal money from business money and the benefits which comes with it.

- 2. Do people think of you when you wear a new cloth at every ceremony?
- 3. Do you regularly buy nail polish and other beauty products? Using practical real examples would bring out a point.
- 4. Sight more examples in a participatory manner to help them think deeper, in terms of fish



Facilitator's Notes

Personal cash and business cash

Personal Income = salary, grant, stipend, from family, money from family.

Business income = money from sales, clients paying for services, business loans and grants.

- Business cash can become personal cash,
- Secondly business cash can become personal cash if one is earning salary out of the business
- Thirdly one earns personal cash from business through business commissions/ bonuses and allowances.
- All business-related expenses and incomes should be recorded in the books of accounts for the business while personal income and expenses are recorded elsewhere.

What is a drawing?

A drawing is any money taken from business for private use. Example is drawing cash from the bank or safe for personal use. In books of accounts these are treated as refundable expenses which have to paid back to the business or company immediately or at the end of year. Other examples include; money for buying; lunch while on a visit, shoes or dress for party, money to pay school fees or medical treatment for children etc.)

Use some of these examples for the participants to reflect on their drawings

- 1. Are you tempted to buy snacks, drinks or ice-cream when you go to the market?

Many a time, people incur unnecessary and non-business-related expenses more especially when they have got an income boom. People often forget about these expenses when they calculate their business expenses, and therefore their income is less than they expected

Tips for separating personal money from business money

- Set up separate bank accounts
- Keep documents and receipts separately
- Prepare separate budgets for business and personal
- Draw a line between the two and rules for access wither
- Keep track of any shared expenses
- Keep track of when you use personal finance for business purposes and refund yourself

Benefits of Separating personal and business money

1. Easy tracking of the business cash flow

Separating your business and personal finances can make it easier to get an accurate picture of your business cash flow. If you're using your funds to contribute to the start-up costs of your business, you'll want to track those expenditures accurately. It will be easier to manage your balance sheet—income versus expenses—when you have a single business account statement to review.

2. Making accounting more accurate

Keeping your personal and business bank accounts separate makes it easier at managing payments including taxes. If you separate your

business money from personal money, you will find it easy to find relevant information to make business decisions.

3. Justifying licensing and tax management

Starting a business involves a lot of expenses. It is important to track all these and they could later contribute to deducting of the tax expenses. They can write off a lot of expenses if you can justify them.

4. Protect your assets from legal liability

Keeping your business assets separate from your personal finances can be a liability and help protect your assets in the case of any legal actions. In case you get issues with your businesses, it will be hard for this to be extended to your personal assets and they remain safe.

5. Establish a business image and credibility

A separate business account can help make your business appear more established and reputable—when your business name appears on invoices and credit cards, for example. Like many business owners, you may initially operate under your own name, but as your business grows you may consider a DBA (“Doing Business As”)—operating under a distinctive business name. All this can also help you appear more credible to clients, suppliers and partners, which can in turn help build brand equity.

6. Access to business-only financial services and more

Some banks offer limited business banking features, such as a business checking account. It is easier to access the loan when people realise that you separate your business and personal moneys.

Activity 2 (45 minutes): Case study on Hajji, the 20 boat Bourgeoisie

The case;

Hajji is a very rich man at Namasale landing site on Lake Kyoga. He employs over 50 people including women and men who work as bariyas, drying mukene and preparing nets among others. Hajji has always had his cash at hand and pays his employees depending on what they have done. Also, he does the same for his boat repairs and

other business inputs. He occasionally writes down his expenses and incomes in small note books which he hardly keeps in one place. When he has things to buy for the family, he picks from the same cash. Even when the hawkers pass by, he uses the same money. He remains the rich man from Namasale landing site. Because of his stature at the landing site, he usually entertains his drinking friends who baptized him with the name ‘The king of the landing site’. He occasionally orders for more cash from home when in the bar and he has no credit in any bar as he usually proclaims.

- i. Let the participants tell you which actions bring in money and which actions take out money.
- ii. The facilitator asks the participants ways of how business money is used as personal money and when personal money is used as business money.
- iii. What are the dangers in the decisions taken by Hajji for his money.



NEVER MIX BUSINESS MONEY WITH PERSONAL MONEY

4.3.2 Mobilizing Capital

Activity 1 (30 minutes): Defining capital and defining its sources in a business

- i) Through a brainstorming session, the facilitator asks the learners what they understand by the term of capital. The responses are written on a flipchart and compliments the definition as provided for in the facilitators notes.
- ii) The facilitator divides the participants into two groups and requests them to give answers to the following questions based on their lived experiences in operating fish businesses.
 - What are your sources of capital mentioning the advantages and disadvantages of each?
 - What are the advantages and disadvantages of each?
- iii) The facilitator compliments the learners view with lecture on the sources of capital mentioning



Sources of capital for fishing business



Facilitator's Notes

What is capital?

Capital refers to the financial resources that businesses can use to fund their operations like knowledge, cash, machinery, equipment and other resources.

Sources of Capital

- a) Internal Sources of capital/funds

These are savings from own/personal business

- Personal Savings. Through daily fish sales

or other alternative income generating activities

- Accumulated profits. This is accumulated after deducting daily expenses from income
- Family contribution. Family members can contribute directly or indirectly to one's own business through direct capital, transport, labour etc.
- Selling of personal assets. These personal assets sold can be in form of land, cows, goats, pigs etc.

Advantages	Disadvantages
<ul style="list-style-type: none"> • They contribute to independent mind/own decisions in planning, and usage • They do not attract extra costs – (interest) • The owner has total control and benefits 	<ul style="list-style-type: none"> • The contribution may be too small • There is danger of relaxation i.e., no completion

b) External Sources of Capital

These are sources of capital which may come into business from outside circles like friends, donors other than family. These may take the form of local and international donors and they be in the form of gifts, offers/donations/grants.

Advantages	Disadvantages
<ul style="list-style-type: none"> • They are free and with no cost 	<ul style="list-style-type: none"> • Not reliable • Not timely • May have strings attached

Loans

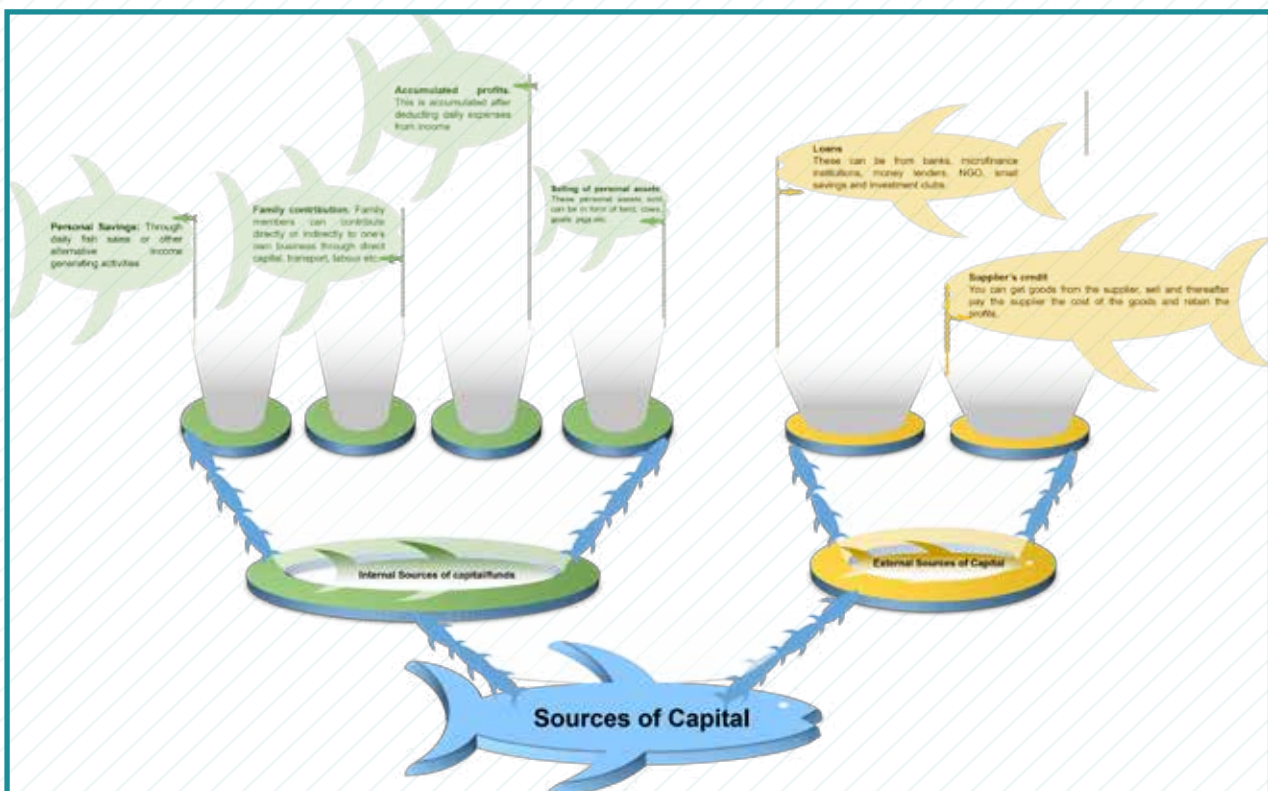
These can be from banks, microfinance institutions, money lenders, NGO, small savings and investment clubs.

Advantages	Disadvantages:
<ul style="list-style-type: none"> • They are a source of extra resources, technology, business materials and equipment • They enforce hard work and discipline since one has to work hard to repay with interest/penalty • Introduces control 	<ul style="list-style-type: none"> • Interest charges • Not timely • Tight repayment obligations • External control of one's business • Risk of loss of one's assets in case of business failure

Supplier's credit

You can get goods from the supplier, sell and thereafter pay the supplier the cost of the goods and retain the profits.

Advantages	Disadvantages:
<ul style="list-style-type: none"> • A stable way of obtaining supplies • No interest charges • Reduction in operational expenses – (ordering etc.) 	<ul style="list-style-type: none"> • High prices • Inferior supplies • Inflexibility in planning supplies



Activity 2 (30 minutes): Role play on how to raise capital for your business

- i) The facilitator divides the participants into two groups.
 - a. One group is tasked to form a role play around raising capital from own savings and friends highlighting the advantages and disadvantages of each.
 - b. The second group forms a role play around raising capital from a financial

institution (could be a bank, SACCO or microfinance) highlighting the advantages and disadvantages of each.

- ii) Afterwards, each group presents their play as other members keenly observe.
- iii) Thereafter the facilitator leads a discussion and notes the participants' contribution on a flip chart.

Task: Building your business Plan



Open your business planning book and based on the business(es) you screened to engage in along the fish value chain.

Sources of raising funds

- Total requirements
- Family/Friends contribution
- Own contributions/investments
- Already secured loans, credits etc
- Total funds available
- Deficit/funding gap
- Loan support required

4.3.3 Credit Management

Activity I (20 minutes): Buying on credit and implications

- The facilitator opens the session by asking the participants to share their experiences about when they got the business goods/services on credit and why? Also the same should be done on when they sold on credit.
- Through brainstorming, the facilitator then asks the participants the advantages and disadvantages to buying on credit. These should be complimented with avenues in which business can operate on less credit.
- The facilitator concludes the session by delivering a lecture on buying on credit and the implications to the fish SME businesses.



Facilitator's Notes

Buying and selling on credit is very popular. It can be rewarding but it can also be very risky as people do not always remember who owes them money and to whom they owe money and how much. Some people may only pay after a long time or not pay at all. Understanding how to manage credit will help you to better control your business.

Therefore, it is sometimes better not to sell on credit at all. If you have to sell on credit, keep the following rules:

- Only sell on credit to regular customers who you are sure will pay you back on time
- Demand payment of part of the amount.
- Always carry sufficient cash to buy new stock.
- Keep records of people who buy from you on credit.

Advantages and Disadvantages of Selling on Credit

Advantages	Disadvantages
<ul style="list-style-type: none"> • It is a service to your customer and it will attract some customers. 	<ul style="list-style-type: none"> • Your customers may linger in repaying or may not pay you at all • There may be quarrels over repayment • Can easily accumulate a lot of money which makes it difficult for you to remember who should repay you and how much • The money that your customers still owe you cannot be used to purchase materials or upgrade your business

Advantages and Disadvantages of Buying on Credit

Advantages	Disadvantages
<ul style="list-style-type: none"> • To buy stock in a season when it is cheap (such as fish, cassava), preserve and store it and sell it when the prices are high. • To enable you to buy cheaper in bulk (items such as flour). • To include seasonal high expenses (such as plugging). 	<ul style="list-style-type: none"> • There may be quarrels or confusion over repayment. • You may forget that you owe someone money. • There is a tendency to buy unnecessary things. • Sometimes you have to pay more when you buy on credit (interest charges).



Caution

Important Points

If you decide to purchase on credit, make sure that you will be able to repay back your credit on time! Before buying on credit do the following:

- Calculate how much profit you will get with your business.
- The profit should be enough to repay your credit and still leave some money for savings.

Ask yourself: Will your business make enough profit to pay for the products that you have bought on credit for your household or family?

Follow these pointers:

- You cannot spend the money you do not have. As long as you have not received the money that people owe you, it is not yet yours. For example, you cannot use the money to buy materials. You can only pay for expenses after you have received your money people owed you.
- The same thing applies when you have to repay other people. If you have bought something on credit for business or family, you have to repay your credit before you can calculate your business profit. You have to raise some money separate to repay your credit.
- By all means, try to repay your credit on time so that people will be prepared to give you credit any time you ask it again. Your character standing for repaying credit on time is called credit worthiness.

4.3.4 Bank accounts and access to loans

Activity I (10 minutes): Opening a business account

- The facilitator starts the session by asking the participants whether they have bank accounts. He/She then asks the participants who have bank account to share their experience of the motivations of having one and how this has impacted their businesses and lives.
- The facilitator concludes the session by presenting the common requirements of having a bank account and the benefits of it.



Facilitator's Notes

What is a bank account?

A bank account is a place for you to deposit and withdraw funds and its held by a credible financial institution called a bank. In Uganda all banks are licensed by the bank of Uganda.

Why do you need a bank account?

- Security:** Your money is most secure in the bank and cannot be stolen. Even when a bank is robbed, your money is insured and will always be paid. Physical cash can easily be robbed if stored from home.
- Convenience:** You can access your cash anytime from the ATM given the advances in technology.
- Earning interest:** The banks of late offer the customers interest on their deposits. You can use your savings to fix them to make more money when you decide not

to use it for some time.

4. Access to credit: Banks give loans if they realise that you are banking well. You can use this as evidence of your business health to access loans.

Activity 2 (10 minutes): Accessing loans from banks and other financial institutions

- i) The facilitator starts the session by asking the participants whether they have ever accessed a loan from a bank or elsewhere. He/She then asks the participants who have ever taken a loan to share their experience of the motivations of taking a loan and how this has impacted their businesses and lives.
 - ii) The facilitator asks the participants to brainstorm on common requirements of having access to a loan and the benefits of it. For those who failed to pay the loans. What were the limitations?
- i) The facilitator divides the participants into 3 groups;

Group 1: discusses the reasons for getting loans

Group 2: The advantages, risks and disadvantages of getting a loan

Group 3: How a loan should be utilized to boost the business.

- ii) Each group presents moderated by the facilitator and concludes with a lecture on bank loans as shown in the facilitator's notes.



Facilitator's Notes

What is a loan?

A loan is a credit vehicle in which a sum of money is lent to another party in exchange for future repayment of the value or principal amount. Usually the lender adds interest on the principal as agreed. Before giving a loan, the ability of the borrower is usually assessed based on security/collateral, cash flow, debt level etc.

Components of a loan

There are several important terms that determine the size of a loan and how quickly the borrower can pay it back:

- **Principal:** This is the original amount of money that is being borrowed.
- **Loan Term:** The amount of time that the borrower has to repay the loan.
- **Interest Rate:** The rate at which the amount of money owed increases.
- **Loan Payments:** The amount of money that must be paid every month or week in order to satisfy the terms of the loan



Accessing loans

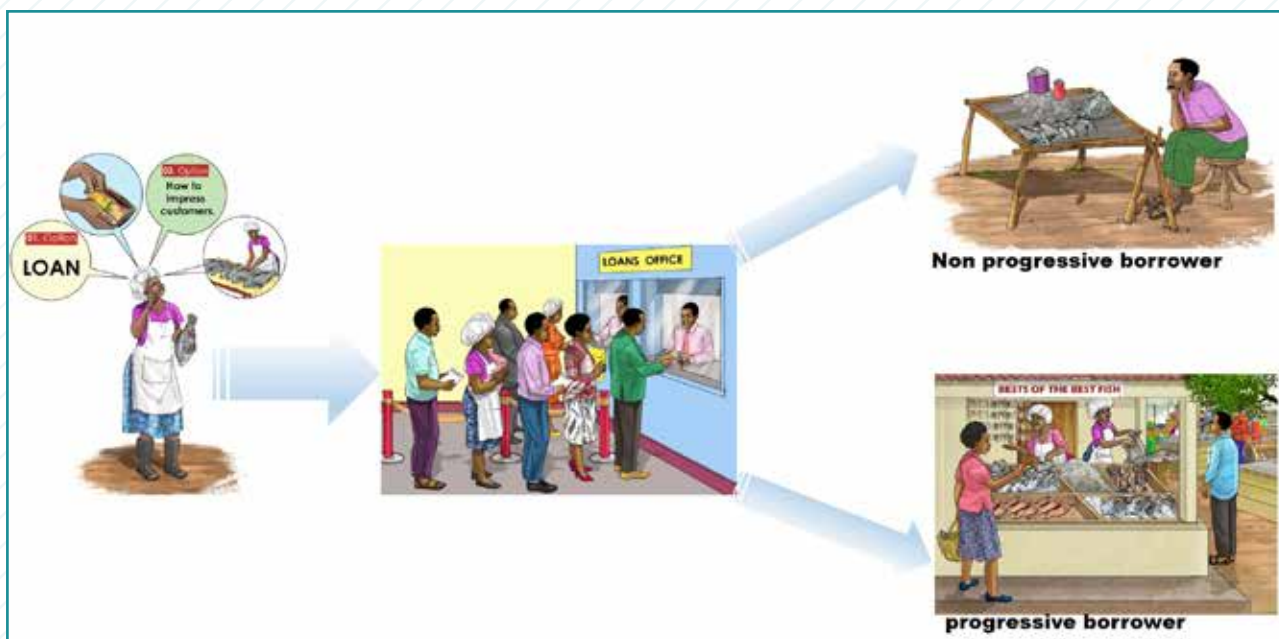
A fish entrepreneur accessing a loan from the bank

When someone needs money, they apply for a loan from a bank or other entity. The borrower may be required to provide specific details such as the reason for the loan, their financial history, national ID. The lender reviews this information as well as a person's ability to pay back the loan based on their creditworthiness. If the application is rejected, then reasons for rejection are forwarded. If the application is approved, both parties sign a contract that outlines the details of the agreement. The lender advances the proceeds of the loan, after which the borrower must

repay the amount including any additional charges, such as interest.

Uses of a loan

You need to plan for a loan before get it. Make sure the you use the loan for the purpose you got it for. Loans are advanced for a number of reasons, including major purchases, investing, renovations, debt consolidation, and business ventures. Loans also help existing companies expand their operations.



Fish entrepreneurs who make good decision with their borrowed money

Field activity: The facilitator invites staff from one of the bank to brief the participants on the different accounts they have, importance of a bank account, steps to get an account and the benefits that come with it.

Review Questions: (10 minutes)

Using the questions below the facilitator reviews the session with the participants.

- What are the different sources of funding available for a business?
- How can one raise capital for one's business?
- What is credit and types of credits mentioning the merits and demerits?
- Are now familiar with the documentation involved in and required while processing a loan/credit.

4.4 Session 3: Business/Financial management

Session Specific objectives:

- To equip the learners with techniques, knowledge and skills related to management of business including finances
- Introduce/enhance knowledge of the learners on the major tools used in financial management of a business
- Understand the major components to consider in effectively managing the finances of a business

4.4.1 Income and Expenses

Activity I (30 minutes): Defining Income and Expenses

- The facilitator begins the session by asking the learners what they understand

the term income? He/she further probes on the different sources of income in the fish related businesses.

- ii) The facilitator then asks the learners what they understand the term Expenses? He/she further probes on the different avenues in which the business spends.
- iii) The facilitator then gives a lecture on incomes and expenditures in a fish related business using the image below. The facilitator summarises the session by showing participants the importance of having more inflows than outflows by referring to the notes.
- iv) The facilitator then takes participants on how to make an income statement using an example provided in the facilitators comments
- v) The facilitator then concludes the session by providing lecture in how an income statement can be used for making decisions in a business



Picture showing income and expenditure

The facilitator explains that the inlets are the inflows representing income, while the outlets are outflows that represent expenses.

BRAIN TEASER: Is a Loan an income or an expense.



Facilitator's Notes

What is income?

Income can be defined as money that a person or business receives in return to working, providing a service or from an investment. An income can also come as a gift from a friend, government benefit or pension, income for conversion of natural resources (brick laying, agriculture), from own skills and endowments (such as mat weaving, lifting people from the boats, boat making etc.), trade of products etc.

Generally; Money coming into your Business = Income.

Expenses

An expense is a cost incurred in or required for something. Basically, it involves outflow of money to a person or group as payment of an item, service. In terms of business, an expense can relate to official business costs or misused as personal business. Provided the money has been removed from the business, it is an expense whether good or bad. Types of expenses which can be incurred in a business may include; services such as transport, levies/market tolls, rent payment, wages and salary payments, firewood for fish smoking, payment for goods/fish, boat repairs, purchase/repair of nets.

Drawing of some of the expenses involved in the fish value chain e.g. firewood for smoking, nets, lights for Mukene, transport for the fish, food for workers, spares for the engines, fuel for the engines, rent for the store etc.





Customer exchanging money with a fisherwoman dealing in Mukene with labourers loading a truck.

Income statement

- This document is crucial in business because it indicates the financial status of the business
- It's a document that describes a business' income and expenditure
- It indicates loss and profit margins
- Based on the income statement, the trader can make decisions whether to invest more in the current business or try some other business. This is decided from whether the business is making losses or profits

An example of a personal income statement

Personal income statement	
Income (Weekly)	
Fish tilapia Sales	300,000
Fish Nile perch sales	400,000
Total Income	700,000
Expenses (Weekly)	
Rent	100,000
Transport	50,000
Food	40,000
Garbage	5,000
License (Tax)	50,000
Loan Payment	60,000
Sacco Obligations	70,000
Total Expenses	375,000

Using income statements to make business decisions

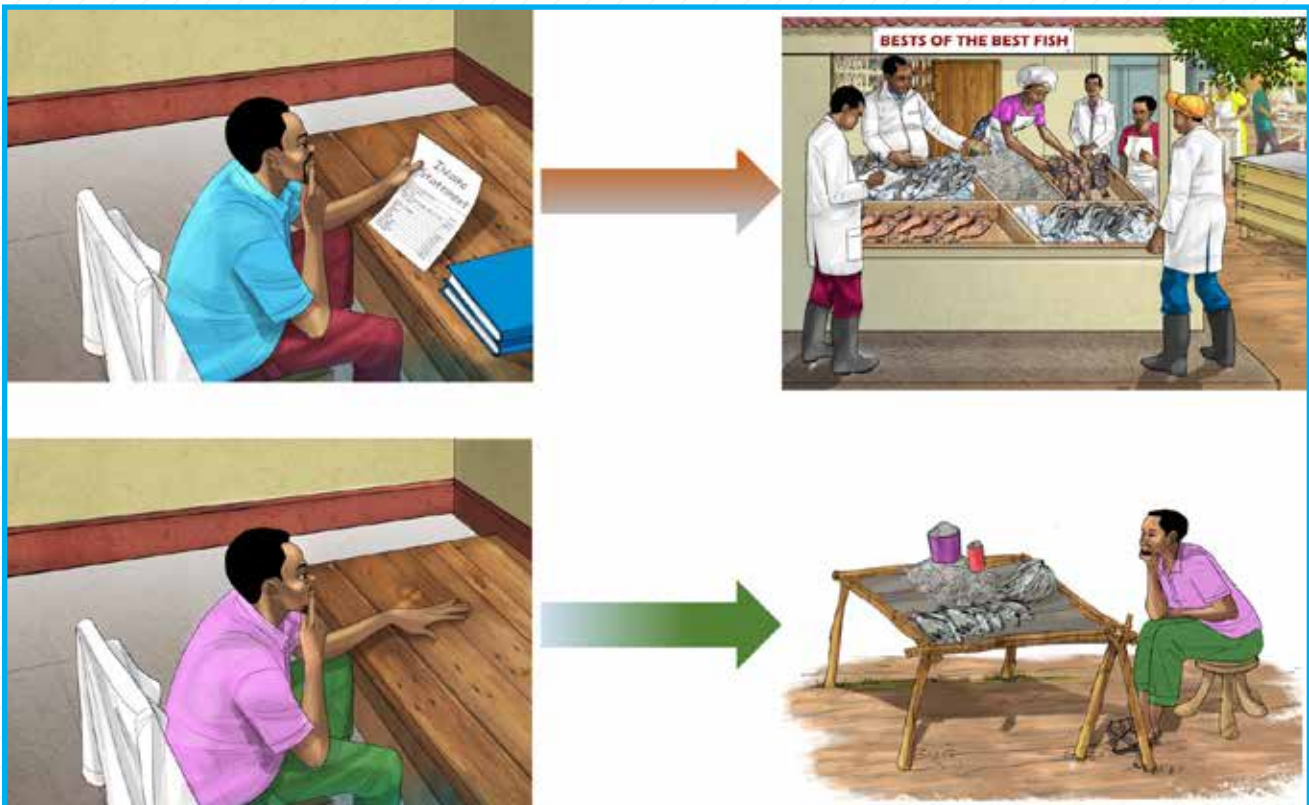
It is important for an entrepreneur to keep their records for all business transactions. But most important is to use the information or data to

make business decisions especially improvements which increase profitability. Literally most of the questions you ask yourself about functionality of your business should come from your business data. This can be done in many different ways some of which include;

1. **Measuring impact;** it is important to know the fruits of your efforts instead of working aimlessly. Look at the issues which make you make losses or profits, area where there is overspending, unnecessary costs and determine ways in which you can enhance or rectify them. This arise from the fact that you understand how much your business is making or losing.
2. **Determine budgets;** The information you get from your income statement will help you to plan or forecast for your business especially budgeting for the different aspects. You can easily make decisions based on your data.
3. **Cut unnecessary costs;** A critical review of the business expenditure will show how much you spend on what and when. This is important to note where you spend so much money which can

saved to increase the net income. This eye-opener increases your chance to save money and reallocate spend where it's needed most.

4. **Improve your employee productivity;** Understanding your business performance can easily help you to communicate impactful statements to your employees. It improves focus especially where the targets are set and the mechanisms in place to minimize on the costs. This can lead to joint planning especially where the profit targets are to be communicated to the entire team.
5. **Change of business view;** The income statement helps SME owners to view the business from a holistic point of view and decisions can be made in the totality of the business. Better decision making is done in this case.



An entrepreneur who took decisions based on data and another who took decisions without thinking of data.

4.4.2 Profit and loss

Activity 2 (10 minutes): Understanding Profit and Loss

- i. The facilitator begins the sessions by asking the participants what they understand by the concepts of profit and loss? This should be done through sharing experiences on when each happened or happens?
- ii. The facilitator further asks the participants what happened when they experienced when they made profits or losses?
- iii. The facilitator then groups the participants into two groups. One focuses on sharing their experiences on what they did when they made losses and another on they made profits. After the discussions, the groups present their findings in the plenary.
- iv. The facilitator concludes the session by giving a lecture on the concepts of profits and loss as well as what results from each.



Facilitator's Notes

What is Profit?

- Profit is the investment gain or reward that entrepreneurs aim to get to reflect the risk that they take. Literally, means that there is more money coming in than there is going out.
- Profit is also an important signal to other providers of funds to your business. Banks, suppliers and other lenders are more likely to provide finance to a business that can demonstrate that it makes a profit (or is very likely to do so in the near future) and that it can settle debts as they become due.
- Profits are also an important source of income for a business.
- Profits which are kept in the business (i.e., not distributed to the owners as dividends or other payments) are known as retained profits.

Retained profits are an important source of income for any business, but especially start-up for small businesses. The time a product is sold for more than it costs to produce it, then the profit earned can be reinvested.

What loss?

Loss is the opposite of profit. A loss is a decrease in net income. Loss happens when you are spending more money than what is coming into your business. Means that you spend more money on producing or buying your products than money you earn by selling goods.

Most businesses often operate at a loss at the beginning but later they begin to grow. Sometime people take decisions to borrow to cover for such losses but when you have enough money in the bank, you can use that to cover the costs.

Tips on how to know that you are operating at a loss

- When you don't have enough money to pay your expenses.
- When your bank balance is zero or negative and you don't know how to get it positive again.
- You're not selling the amount you needed to in your forecast, e.g. if your business model is reliant on selling 20 pieces of fish and you're selling three.

What is break even? This refers to the point at which costs and income are equal and there is neither profit nor loss.

In Summary;

Money in - Money out = Profit or Loss or Break Even

Activity 3 (30 minutes): Calculating Profit and Loss

- i. The facilitator opens the session by asking the participants to recall the definition of loss and profit as well as their lived experiences on the same.
- ii. He/she then divides the group into two. The facilitator instructs one group to formulate the role play on profit and another on loss. Each should be able to demonstrate the implications of business operating in a loss and profit.
- iii. After the presentation, the facilitator brain storms with the participants on how they calculate the loss or profit.

- iv. The facilitator concludes the session by showing the participants on how profit and loss are calculated using the example of Ajuna. He or she groups the participants into two groups and gives them the example to work out.

Activity 8 (2 Hours: Compiling a Profit and loss statement)

- i) The facilitator opens a session by giving a lecture on what a profit and loss statement is and provides the format of a basic profit and loss statement.
- ii) The facilitator groups the participants in the groups earlier formed (according to the existing or related SMEs) and guides them in making their business profit and loss statement based on their experiences of costs and expense lines.
- iii) The two groups present their profit and loss statement to the plenary moderated by the facilitator. The facilitator provides comments based on the deliberations.



Facilitator's Notes

How to Calculate Profit or Loss?

Profit can be measured and calculated, so here is the formula:

$$\text{PROFIT/LOSS/BREAK-EVEN} = \text{TOTAL SALES less TOTAL COST}$$

The facilitator can use his/her own example or this below.

Ajilong is a lady working at Kagwara landing site. She has a total operating capital of 2,000,000. She constantly buys fish from the bariyas. She on a weekly basis buys fish of 600,000 UGX, buys firewood of 50,000, pays the workers 50,000. In the first week she sold a total of 680,000 and in the third week she sold a total 800,000. In which week did she make a loss of profit and what could be the potential causes.

You are now aware from which sources you earn money and what you spend your money on. Can you recommend some expenses that are unnecessary, or which you could reduce?



Caution



Facilitator's Notes

What is a profit and loss statement (P&L) or Income statement?

A P&L is a financial statement that summarizes the revenues, costs, and expenses incurred during a specified period. It shows how much profit or loss was generated by a business.

An example of a profit and loss statement

ACHIENG& ACHEN FISHERIES BUSINESS Profit and loss Statement For the Month Ending 30th June 2023

Particular	Amount (Shs)	Amount (Shs)
Revenues		
1. Sales from Tilapia	3,000,000	
2. Sales from Nile perch	5,000,000	
3. Sales from Mukene	2,400,000	
TOTAL REVENUES (A)		10,400,000
Expenses		
Utilities (water and electricity)	20,000	
Employee wages and salaries	1,500,000	
Employee maintenance costs (treatment)	220,000	
Marketing costs	80,000	
Communication for business	50,000	
TOTAL EXPENSES (B)		1,870,000
NET INCOME (A-B)		8,530,000

NB: A profit and loss statement should not be created until all transactions for the period have been recorded.

4.4.3 Purchase management

Activity I (20 minutes): Understanding purchase management

The facilitator:

- i) Through a brainstorming session, the facilitator asks the participants what they purchase in their business and how they purchase the different inputs into their businesses.
- ii) The facilitator then asks the participants to debate on what good purchase practices would be and the advantages that come with it.



Facilitator's Notes

What is purchasing

Purchasing refers to acquiring goods and services for use by the business or a person. Purchasing involves business operations with goal of buying materials of the right quality, in the right quantity from the right source delivered to the right place at the right time at the right price. It is prudent that entrepreneurs take into account a number of factors when buying goods and services. These

factors are called 'the Purchasing Mix', namely, Quantity, Quality, Price and Delivery.

Steps in purchase management

1. **Planning:** You need to have a clear plan on what (goods, services) you need to buy and why.
2. **Identify and Select suppliers;** You need to understand who can give you the best services or goods
3. **Negotiations and agreement;** You need to negotiate the costs, quality and other factors which you deem fit for the business
4. **Receiving and inspection of the purchase;** Before you get the goods, you need to inspect them to be sure if they meet your specifications. If they do, then you pay for the services.
5. **Payment;** You can pay for the goods or services
6. **Maintain Records and Relationships;** Always maintain the records you have used in the purchase



Advantages of purchase management

1. Purchasing provides goods needed by the business or enterprise.
2. Facilitate the business and its processes to run efficiently
3. It saves money, time and resources.
4. Improves relations with suppliers
5. Improves decision making
6. Improves reputation of the business



Auctioning fish in a market

4.4.4 Stock control

Activity 2 (45 minutes): Controlling Stock

- i) The facilitator begins the activity by asking the participants on whether they are familiar with the word 'stock' and what their interpretation of the same is.
- ii) The facilitator then asks the participants to share the influences and techniques of controlling stock within their businesses. Emphasis should be put on ask when they do stock taking.
- iii) Thereafter the facilitator with reference to the notes below guides the participants through a discussion on stock control, advantages and how to maintain stock.



Stock control by fisher traders working as a partnership



What is Stock control

Stock control is the process of maintaining the appropriate quantity of good, so a business can meet customer demand without delay while keeping the costs of holding stock to a minimum. Fish businesses which are dealing with physical products need stock to sell. The purpose of stock control is to make sure the business always has enough stock for their customers, while balancing the amount spent on acquiring and storing stock. Stock control is important because it can be the difference between loss and profit. Done right, it keeps costs down while increasing your profitability on every sale.

The stock ordering process

Getting the stock ordering process right is an important part of effective stock control. When reviewing your stock ordering it's recommended that you:

1. Stick to a single inventory control system

It is important to ascertain from the beginning what type of inventory system would best suit your business.

2. Review current inventory

You need to determine what you have on hand and its value. Look at your sales reports to identify your bestselling fish, which are making the most gross margin, and which items are slow-moving and old.

3. Determine your ideal stock levels

Now you need to identify stock you always need and decide on what your maximum and minimum stock levels are for each item; it's also important to determine the minimum re-order level for each item. Once you've identified the parameters, it's easier to know what you have to work with. You'll also need to keep accurate stock records and make sure they match what you actually have on hand with a stocktake.

4. Constantly review inventory control

Ask yourself how stock management impacts the other areas of your business.

Consider:

- Reviewing your purchasing patterns. Purchasing should be based on sales history and demand forecasting
- Ordering less stock more frequently. This can improve liquidity without reducing sales
- Consider the impact of marketing and promotion. Before launching a sales promotion, make sure you have enough stock to meet an increase in demand
- Having a back-up plan if items don't sell as well as you wanted it to. Regardless of whether you return it to suppliers or donate it, make sure you know how to dispose of excess stock quickly
- Reviewing your sales policies. Your sales team can strategically sell fast-moving items and clear slow-moving items
- Storing your items more efficiently. Appropriate storage techniques are essential for managing stock. Make picking and packing streamlined and efficient by storing slow-moving products at the back of the store, and fast-moving goods close to the front where they are more readily accessible

Benefits of maintaining good stock control

- Increases productivity and efficiency, we need the "how" explained all the way and in relation to the fisheries business
- Saves time and money
- Improves accuracy of inventory orders
- Keeps customers coming back for more

The stock ordering process



Poorly stocked and disorganised stall

4.4.5 Price determination

Activity 3 (30 minutes): Price determination

The facilitator:

- Introduces the session by asking participants on how they determine the prices of the fish products or services they sell or offer.
- Thereafter the facilitator delivers a lecture on product costing, importance of costing and types of costs (overhead, fixed and variable costs).
- The facilitator requests the participants to recall the different costs they incur in their different businesses. These are written on the board.
- The facilitator divides participants into two groups and guides them into classifying the expenditures in i) into overheads, fixed and variable costs.



Fish with determined prices

Facilitator's Notes

Meaning of Costs and Costing

Costs refers to all the money your business spends to make and sell your fish.

Costing is the way you calculate the total costs of making or selling the fish.



Fish entrepreneur costing expenses

Importance of Costing

Costing helps your fish business to:

- Ret prices (Pricing is a process of fixing the value that a trader will receive in the exchange of services and goods. Pricing method is exercised to adjust the cost of the producer's offerings suitable to both the manufacturer and the customer)
- Reduce and control costs
- Make better decisions about business
- Plan for the future

Types of Costs

There are three types of costs: overhead (Semi-variable costs), fixed and; variable costs

Fixed costs: Fixed costs are costs that do not vary with the level of output in the short term. Examples of these may include; rent, salary for permanent employees, market levies etc.

Variable costs; A variable cost varies in direct proportion with the level of output. Varying directly means that the total variable cost will be

totally dependent on the level of output. If output doubles, then the variable cost would double. If halved, the variable costs would be halved. If output were zero, then no variable costs would be incurred. They may include the causal labourers, ram materials, packaging costs etc.

Overhead costs

Overhead costs are what it costs to run the business, including; electricity, water, personal protection equipment/ mandatory wear. They are operating expenses that are required to run the business and cannot be avoided. Overhead expenses should be reviewed regularly in order to increase profitability

$$\boxed{\text{Fixed costs}} + \boxed{\text{Variable costs}} + \boxed{\text{Overhead costs}} = \boxed{\text{Total costs}}$$

Also, the costs can be classified into;

- Direct costs
- Indirect costs

Direct costs are all expenses that are directly related to the fishing business. There are two types of direct costs:

- direct material costs
- direct labour

Direct material costs are all the money your business spends on the parts and materials that become part of or are directly related to, the products or services you make or sell. For a retailer or wholesaler, the costs of buying fish to resell are direct material costs.

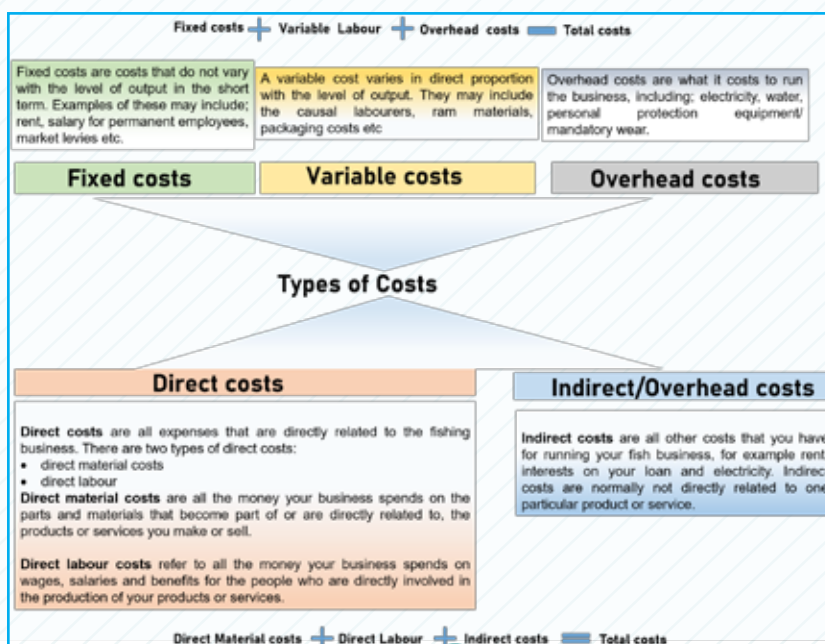
Direct labour costs refer to all the money your business spends on wages, salaries and benefits for the people who are directly involved in the production of your products or services.

NB: Retailers and wholesalers do not have employees working directly in making products, so they do not have any direct labour costs. For retailers and whole sellers, all salaries and wages are indirect costs.

Indirect costs are all other costs that you have for running your fish business, for example rent, interests on your loan and electricity. Indirect costs are normally not directly related to one particular product or service. Indirect costs are sometimes called overheads or expenses.

You should understand the different types of costs to be able to calculate the total costs for any product or service your business makes or sells.

$$\boxed{\text{Direct costs}} + \boxed{\text{Material}} + \boxed{\text{Direct Labour}} + \boxed{\text{Indirect costs}} = \boxed{\text{Total costs}}$$



Activity 4 (45 minutes): Calculating unit cost of fish

Referring to activity 3 above, the facilitator guides the participant in attaching the values on the identified categories based on their business operation.

- Step 1: Calculate the fixed costs
- Step 2: Calculate the variable costs
- Step 3: Calculate overhead costs
- Step 4: Calculate total cost per product

Example of calculated cost per unit for an estimated 300 fish pieces

Fixed costs		Variable cost		Overheads	
Type of fixed cost	Amount	Type of variable cost	Amount	Type of overhead cost	Amount
knives,	10,000	L a b o u r costs	200,000	Electricity	5,000
tables,	45000	Fish stock	1,000,000	Fuel for motorcycle	150,000
motorcycle,	1,000,000			Market levy	20,000
bicycle etc.	200,0000			Rent	50,000
Sub totals	1,255,000		1,200,000		225,000
Total Cost (fixed cost + variable cost + overheads/indirect cost)	2,680,000				
Total cost per unit (Total cost divided by the number of fish)	2,680,000/300 pieces Unit cost is 8,900				



Facilitator's Notes

What is Pricing?

Pricing is a process of fixing the value that a trader will receive in the exchange of services and goods. Pricing method is exercised to adjust the cost of the producer's offerings suitable to both the manufacturer and the customer.

Fish Pricing

This is the determining of how much the fish will be sold. These are considered when setting a price for the fish.

The price you charge should consider these:

- i) That all the cost of production is recovered
- ii) That there is a profit
- iii) That the price reflects the quality/value of your fish
- iv) That the price is not too high or too low to push you out of competition

Therefore, find out;

- a) What your competitors charge
- b) Whether the majority of your target consumers will afford the price of the fish

Fish Pricing strategy

The fish business may define and adopt a fish pricing strategy. For example: make minimum profit in the early months through low prices, but capture the market for the product and increase prices later. This however requires the fish business to know the minimum level of production and prices at which it recovers all its costs (break-even point).

Required Profit margin

Fish business profit margin measures percentage of revenue your business keeps after paying for outgoing expenses. Tracking a business profit margin helps to monitor business health and it enables better decision making in future.

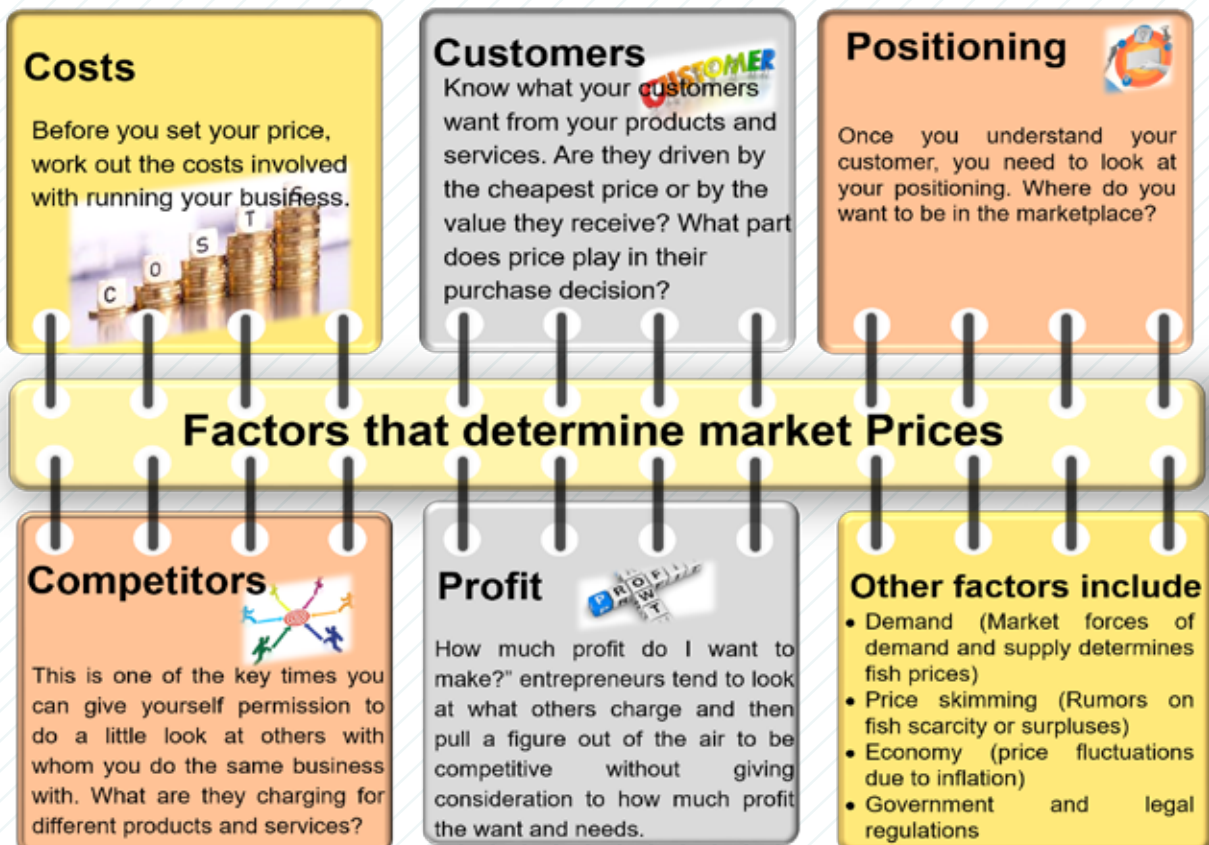
Improving profit margin

Profit margin can be improved by lowering costs, expenses and increasing sales. Costs can be lowered by;

- Optimizing vendor relationships
- Looking for alternative solutions to current processes
- Cut offerings that do not do well or sell
- Reduce business and operating expenses

Factors that determine market Prices

1. **Costs;** Before you set your price, work out the costs involved with running your business.
2. **Customers;** Know what your customers want from your products and services. Are they driven by the cheapest price or by the value they receive? What part does price play in their purchase decision?
3. **Positioning;** Once you understand your customer, you need to look at your positioning. Where do you want to be in the marketplace? Do you want to be the most expensive, luxurious, high-end brand in your industry, the cheapest, beat it by 10% brand or somewhere in the middle?
4. **Competitors;** This is one of the key times you can give yourself permission to do a little competitor snooping. What are they charging for different products and services?
5. **Profit;** “How much profit do I want to make?” entrepreneurs tend to look at what others charge and then pull a figure out of the air to be competitive without giving consideration to how much profit the want and needs.
6. **Other factors include:**
 - Demand (Market forces of demand and supply determines fish prices)
 - Price skimming (Rumours on fish scarcity or surpluses)
 - Economy (price fluctuations due to inflation)
 - Government and legal regulations





Session wrap up (15 minutes): Question and answer

Review Questions: Using questions below, the facilitator reviews the session.

- Why is understanding income and expenditure important to a fisheries entrepreneur
- Why should an entrepreneur be aware about the aspects of profit and loss?
- Why is purchase management important?
- Why should an entrepreneur be aware about his/her stock?
- Is price determination relevant?

4.5 Session 4: Record Keeping

Session specific objectives:

- To enhance the participants' appreciation to the importance of book keeping
- Introduce the participants to the different tools used to manage records in a business

- To enhance the participants understanding on the benefits of good record management

4.5.1 Introducing Record Keeping

Activity 1 (15 minutes): Understanding Record keeping

- The Facilitator introduces the session by having a discussion with the participants on what they understand by record keeping.
- The facilitator then asks the participants to share their experiences on how they keep their business records. He/she can probe further by asking the following questions.
 - What kind of records do you keep?
 - Why is it important to keep record?
 - Why don't people keep records?
 - What strategies do you suggest for people to effectively keep records?
- The facilitator concludes the activity by giving a lecture on record keeping using the facilitators notes below;



Facilitator's Notes

What are records?

Records refer to the information created, received, and maintained as evidence by an organisation or person, in pursuance of legal obligations or in the transaction of business. For instance, a receipt book is a record of cash entering/coming into a business or organisation.

Record keeping



Facilitator on record keeping within the community

This is a systematic process of compiling similar or related information resulted from business activities or operations into one document, and storing it in files/folders (accepted formats) for the purpose of tracking and assessing the performance or operations of a business.

- When payments are made to suppliers, invoices are received and cheques issued, the receipts and invoices have to be filed.
- Similarly, when payment is made for the goods or services a cash register record is kept. All of this information has to be kept



Fish entrepreneur making records for her business.

Keeping proper records is important in a business for the following reasons:

- The financial information generated from record keeping is used for planning;
- It helps with strategic and operational decision making;
- It helps provide an assessment of the performance of the business (expenditures, costs, and profit), over a period of time like a financial year;
- It helps with management of the day-to-day operations of the business.
- It assists cash flow management.
- To help find and solve problems in a business
- To control business capital, especially cash
- To show the direction of the business

- Records help to analyze business development over time.

Activity 2 (15 minutes): A pragmatic case of record keeping on Lake Victoria

- The facilitator asks one of the participants to read out the story about Hajji on Lake Victoria.
- The facilitator then asks the participants what they take away from the story and what they will use it for in their businesses.
- The facilitator concludes the session by emphasising the importance of record keeping.

The power of record keeping in fishing business: A case of Hajji at Lyabana Island

There is an island in Lake Victoria called Lyabana Island. At this island, there is a businessman popularly called Hajji who owns over 100 boats. He started slowly with a nearly one boat but his boats increased. People have seen him grow and majority thought that the source of his money is robberies, government agent, witchcraft and so on. However, some curious young man reached out to Hajji and asked him to loan him his used nets, locally called, endyeri. He paid in instalments and he remained with some balance of around 5000 UGX. To the young man, this figure was very negligible based on the amount he had paid Hajji. One day the Hajji met this young man and told him that he needed to clear his debt. The young man took this for a joke. Out of curiosity and wanting to spend some of his leisure time with hajji, the young man visited hajji and cracked a joke about the 5000 shillings' balance. In surprise the young man told hajji that he thought it was a joke. It is at this moment that the hajji told him the importance of keeping every record of his business and why it is important to use the records to understand your business health. He told him to imagine every employee of his taking 5000 from him every day, how much would he loose? He reiterated that it is that carefulness and being keen on the records that has seen him this far. He noted that it has created self-leadership, discipline and the same culture has been inculcated among his employees. So everything moves in order and he only accepts documented information from his employees. He assured the young man, that he can also make it with such discipline but he needed his 5000 Shillings because it was business money.

4.5.2 Tools used for record keeping in a business

Activity 3 (5 minutes): Tools used to generate business records

- i) The facilitator starts the session by asking the participants to share their experiences on the different types of tools they use in running of their businesses. How they have impacted their business, the merits and demerits of each.
- ii) Based on the examples forwarded, the facilitator explains the different business tools which generate records for the business. Emphasis is put on the fact that each will be expounded in detail.
- iii) The facilitator then takes the participants through a step by step process of preparing the templates of the business tools.



Facilitator's Notes

What are the tools used to enter business transactions in records?

Record-keeping tools are critical to a successful fish business, and should be put in place before the business is launched. These tools help to ensure that documents are stored safely and methodologically. These include;

- Daily sales record
- Receipt book
- Cashbook
- Inventory Record Book
- Credit Book
- Debtor book
- Proforma Invoice

After assessing what they are doing, the facilitator can encourage them to keep the same records in one book, by dividing the book into 5

1) DAILY SALES RECORD FORM

This form is used to record all daily sales. It helps to establish the total fish sales per day.

DAILY CASH RECORDS				
DATE.....				
S/N	PARTICULARS	QUANTITY	PRICE	AMOUNT
	TOTAL SALES			

2) RECEIPT BOOK

The receipt book records money coming in (income of the business).

NAME OF BUSINESS ADDRESS TIN 000-01100	
DATE.....	
Received from	
Being payment of.....	
Amount in words.....	
Amount in figures	Signature of entrepreneur.....

3) CASH BOOK

Help the learners to recall the discussions you had on the INCOME in section 5.4.1

What is a cash book?

A cash book is a book where records of all cash transactions are noted in detail and on-the-go/daily basis. The cash book will detail all cash that is received and the payments (disbursements) that are made in a chronological order. These should also include the records of bank deposits and withdrawals.

For ease of management some businesses split the cash book into two parts: The cash disbursement part and cash received part but all are recorded in a chronological manner.

Importance of a cash book

1. The total payment of the cash received and paid are easily known at anytime
2. The amount of cash may be known at any time without having to count physical cash

3. It is easy for future reference saving labour and time
4. It is easy to detect errors since all transactions are recorded in a cash book

How is a cash book made?

A cash book can be made in three main ways; single column, double/two column, triple/three column and a petty cash book. For purposes of this manual, a single column cash book shall be used. As single column cash book is used to record only cash transactions for the business.

The single column cash book has two sections; the Debit side (Receipts/cash received) and the credit side (Payments).

An example of a cash book modified to suite the MSMEs in fisheries.

Debit (Receipts)**Credit (Payments)**

Date	Description	Amount	Date	Description	Amount

An example of a filled in cash book

ISABIRYE & SONS FISHERIES BUSINESS

MONTH.....

YEAR.....

DATE	Description	AMOUNT (shs)	DATE	Description	A M O U N T (shs)
1/10/2020	Balance brought forward	2,000,000			
1/10/2021	Sale of 100Kgs of Nile perch	600,000	1/10/2021	Payment for the boat operators	30,000
	Sale of 50 Kgs of Mukene	25,000	1/10/2021	Payment of nets	20,000
2/10/21	20kgs of tilapia	4,000	1/10/2021	Payment for fuel	100,000
	200Kgs of Nile perch	120,000	1/10/2021	Payment for light repairs	10,000
	120 Kgs of Mukene	150,000	1/10/2021	Purchase of bi-wujjo	30,000
			2/10/2021	Landing site levy	40,000
			2/10/2021	Accommodation for workers	80,000
	Total	3,979,000		Total	310,000

The analysis can be done in a periodic manner depending on the intensity of transactions. It can be on a daily, weekly, bi-annual or monthly basis.

4) INVENTORY RECORD

An Inventory Record: Keeps a record of physical items that your business has at any point in time.

Example of inventory record

No.	Description	Qty.	Beginning	Purchases	Sales	Loss
1.	Boats	5	5	2	1	1
2.	Engines	6	2	4	2	2

5) CREDIT BOOK:

Keeps the record of all the money the customers have to repay for goods and services purchased on credit.

Transactions

June 2, 2019 Credited 50 litres of oil for Shs 900,000 to Fatu Business Center to be paid in 15 days.

It includes what you had at the beginning of the year, what has been added to those items through purchases and production and how much has left your business through sales, consumption, planned use or losses.

June 15, 2019 Siah credited 2 tonnes of fish costing shs 1,600,000 from Jumah Business Enterprise.

June 20, 2019 Flomo took 1 toone of fish for Dweh fish Center on credit for shs 1,000,000

Example of Credit Book

CUSTOMER CREDIT BOOK					
NAME: _____					
ADDRESS: _____					
DATE	DESCRIPTION	CREDIT	PAYMENT	BALANCE	SIGNATURE
2-Jun-19	50 litres of oil	shs 900,000	0	shs 900,000	
15-Jun-19	2 tons of fish	Shs 1,600,000	0	shs 1,600,000	
20-Jun-19	1 ton of fish	Shs 1,000,000	0	Shs 1,000,000	
	Total	Shs 3,500,000	0	Shs 3,500,000	

6) DEBTOR BOOK

A Debtor Book: Keeps a record of all whom the business owes (those who have supplied goods and services to the business on credit).

Transactions

June 2, 2019 Credited 5 gallons of oil for shs. 900 from Fatu Business Center to be paid in

15 days.

June 15, 2019 Siah Enterprise credited 2 baskets of fish costing shs 800 from Jumah Business Enterprise.

June 20, 2019 Flomo Inc. took 3 pieces of fish for Dweh Fish Center on credit for shs500

Example of Debtor Book

DATE	DESCRIPTION	DEBT	PAYMENT	BALANCE
June 2, 2019	Fatu Business 5 gallons of oil	shs900	0	shs800
June 15, 2019	Siah Enterprise 2 Baskets of fish	shs800	0	shs800
June 20, 2019	F l o m o Inc.3 pcs fish	shs500	0	shs500
	Total	shs2,200	0	shs2,200

7) PROFORMA INVOICE

This a document which provides information regarding the particulars of goods and or services yet to be delivered to the buyer/customer. It

details estimated prices of the available goods and or services.

Example of a Proforma Invoice

Date.....	Proforma Invoice	Sent to:			
Proforma invoice no		Company name.....			
Sent by;		Dept.....			
Company name.....		Address.....			
Department.....		Country.....			
Address.....		Currency.....			
Country.....					
Description of goods	Qty.	Price	VAT	Total	
TOTAL VALUE					
Authorized Signature					

Activity 3 (15 minutes): Case study on using record keeping tools

One of the businessmen from Kagwara was approached by a Chinese company interested in exporting organic tilapia, Nile perch and haplochromines (enkeje). The businessman was tasked to identify women and men involved in the fish business and can sustain the supply chain. One of the conditions is that they should demonstrate ability to have capital and the Chinese company is ready to guarantee their bank loan.

- i) The facilitator, asks the participants to identify the documentation on which the businessman can use to determine the suitability of men and women for the deal.

- ii) What documents will the bank depend on to make the decision of giving the loan to the suitable candidates?

Wrap Up (5 Minutes)

? The facilitator wraps up the session by asking participants the following question

- i. Why is business documentation important?
- ii. What tools could they use in generating and managing records and why they are important.

Task: Building your business Plan



Open your business planning book and based on the business(es) you screened to engage in along the fish value chain.

Financial Plan

- Investments required
- Fixed assets/starting equipment (e.g. land, tools, machinery)
- Preliminary expenses
- Pre-operative expenses (e.g. legal fees, licensing fees, bank charges,)
- Start-up expenses (e.g. water, electricity connection, cleaning of premises, etc.)
- Working capital (raw materials, rent, water, transport, etc.)

Operating Plan forecast

- Less cost of production and overhead/fixed costs
- Income from sales
- Projected operating income statement
- Net profit
- Break even analysis

- Cash flow projection

This may seem to be the easiest option for a facilitator, in that you have control over the information being transmitted. However, bear in mind that some of the participants themselves may have important knowledge and experience, so be willing to involve them and allow time for presentation of local experiences on issue.

