



SOCIAL ENTREPRISE SKILLS TRAINING

THE ENTREPRENEUR'S GUIDE

FIRST EDITION

## FOREWORD

So, you want to be a social entrepreneur? This course will help you to develop your entrepreneurial skills and start a business that could give you a livelihood that can support you and your family. Your business will contribute to the economic activity in your community and you may even go on to employ others. Besides you make health impact products available to the community, which will improve the health of the people in your surrounding.

Most people who would like to work for themselves find it difficult to decide what type of business to start. If you wish to choose a business that suits you, you should start by thinking about yourself. You have knowledge and skills that are needed by both the community and business. Fortunately, Healthy Entrepreneurs is willing to partner with you in the social franchising. This course will help you to refine your skills on how to run a social franchise with Healthy Entrepreneurs.

As a self-employed businessperson, you will be responsible only to yourself. HE expects you to use your judgment and your sense of what is right and wrong. You have a responsibility to your community to be an ethical entrepreneur. You work together with HE, but you remain responsible for the work that you are doing as an entrepreneur. HE is there to support you in the process of business.

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

You are encouraged to think positively about how this course can help you to fulfill your career aspirations. Remember, only chances meet those who are prepared!

All the best!

## **CONTENTS**

<b>UNIT 1: INTRODUCTORY WELCOME .....</b>	<b>4</b>
<b>UNIT 2: SOCIAL ENTREPRENEURSHIP SKILLS .....</b>	<b>5</b>
<b>UNIT 3: SOCIAL BUSINESS IDEAS .....</b>	<b>7</b>
<b>UNIT 4: MARKETING .....</b>	<b>8</b>
<b>UNIT 5: PROFIT, REINVESTMENT &amp; PAYING BACK THE LOAN .....</b>	<b>10</b>
<b>UNIT 6: BOOK KEEPING .....</b>	<b>11</b>
CASH BOOK.....	11
DEBTORS' BOOK .....	11
CREDITORS' BOOK.....	12
INCOME AND EXPENDITURES' BOOK .....	12
PROFIT OR LOSS STATEMENT .....	13
PRO-FORMA BALANCE SHEET SUMMARY.....	13
<b>UNIT 7: BUSINESS PLANNING .....</b>	<b>15</b>

## UNIT 1: INTRODUCTORY WELCOME

In this unit, you will get to know the group. This exercise could help to start building confidence in the participants and create an atmosphere of dialogue. We create awareness of our own skills and learn how to use those skills to engage in a small business.

Question: Why am I attending this course?

Question: What do I expect to learn?

Question: What can I contribute to the discussion?

Question: How do I expect to interact with my facilitator?

Question: How do I expect to interact with my colleagues?

## UNIT 2: SOCIAL ENTREPRENEURSHIP SKILLS

The diversity in this group of participants is bringing a lot of variety of skills and prior experiences. We are here to learn from each other, but also to learn about our own skills. An individual's inherent talent, combined with initiative and hard work, and some external input, can produce a thriving business enterprise.

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

- Conducting myself
- Thinking
- Interacting with people
- My safety and survival
- Things I can do

Question: How did you learn these skills?

Question What do I use them for?

Question: How often do I use these skills?

## UNIT 3: SOCIAL BUSINESS IDEAS

You all come from different communities. You know and observed what business models and services are lacking in your specific region. These needs in your region are the basis for any business idea. In this unit we think about these needs, and try to find out how HE social business can fit in your region.

Question: What needs do I know about in my community?

Question: What can be done to address these needs?

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

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

## UNIT 4: MARKETING

Businesses function by selling a product or service to its market. If a person or a group of people needs a product or service, there is a demand. The people who need the product or service and are willing to pay for it are customers or potential customers. The number of (possible) customers in the community represents the market for a service or product. Businesspeople who provide similar products or services are competitors.

All these concepts are discussed in this unit.

Using your business idea, answer the following questions:

Question: Who is interested in (needs) my product or service?

Question: How do you think Healthy Entrepreneurs can be actively and helpfully be presented in the community where you live?

Question: Why do they like or dislike my product or service?

Question: Are they willing to buy it (give money or another product for it)?

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



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

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

## UNIT 5: PROFIT, REINVESTMENT & PAYING BACK THE LOAN

Every business must bring profit. A business must be able to pay back the loan. And a business must generate enough profits for reinvestment purposes. Health Entrepreneurship Social Franchise's profits are fixed in advance.

Question: In groups, look at the price list and discuss on how you can make profits, payback the loan and reinvest in your business growth – bearing in mind that you must be able to pay back the loan within 12 months. Consider different sources of loan and appreciate advantages and disadvantages of each.

Source of loan	Advantages	Disadvantages
Personal savings		
Family funds		
Community co-operative organizations		
Micro-finance organizations		
Savings and loan associations		
Commercial banks		

## UNIT 6: BOOK KEEPING

Business entities carry out activities. Some activities bring in money while other activities bring out money. It is important for business entities to keep records of all the money earned and all the money spent.

To ensure that business related documents are kept safely and methodically, we should have a filing system. Each type of document should be kept in a separate file (for example, copies of receipts in one file, orders in another file), in alphabetical order. This will help us to find the documents we need quickly and easily.

Question: Why do I need to keep track of my money?

### CASH BOOK.

Question: List 3 items that bring money into your business and 3 business items on which you spend money

Question: Draw a simple cashbook using the information from the list.

Left Side	Receipts (Money in)		Payments (Money out)		Right Side
Date	Details	Amount received	Date	Details	Amount paid

### DEBTORS' BOOK

Fifi Products Ltd has a regular client. This client is called Impact Ltd. Use the table.

- On 07/07/08 Impact Ltd buys 2000 phones at Franc 50,000 each on credit.
- On 15/07/08 Impact Ltd makes a part payment of Franc 20,000. On the same day Impact Ltd buys 500 cups at Franc 50,000 each on credit again.
- On 30/07/08 Impact Ltd pays all the remaining debts.

Question: Keep the debtor's book for your business and list to whom you sold you products/services:

Date	Details	Qty	Amount sold on credit	Amount received	Balance	Sign

### CREDITORS' BOOK

Fifi Products Ltd usually buys healthcare products from the same company (Social Impact) on credit, and clears the debts after selling the products.

- On 15/7/08 bought 8 reading glasses at Franc 1500 each;
- On 17/7/08 bought 20 reading glasses at Franc 1500 each;
- On 18/7/08 paid Franc 100,000.

Question: How much money does Fifi Healthcare Products Ltd owe Social Impact?:

Date	Details	Amount sold on credit	Amount received	Balance	Sign

### INCOME AND EXPENDITURES' BOOK

Divide your book into two columns!

Question: List all the items that bring in money to your business (income)!

Question: List all the business items that you spend your money on (expenditure)!

Income	Expenditures
TOTAL _____ Franc	TOTAL _____ Franc

### PROFIT OR LOSS STATEMENT

Find out if you make profit!

Question: Write down how much money you would receive for selling your goods (income) and how much you would spend!

Question: Find out whether you are making a profit or a loss.

Details	Amount in Franc
<b>Income:</b>	
Sales	
<b>Expenses:</b>	
Direct Expenses (Purchases)	
<b>Profit of the year</b>	

### PRO-FORMA BALANCE SHEET SUMMARY

Determine your financial position!

Question: Write down on the left side record all your assets

Question: Write down on the right side record all your liabilities and capital

Question: Add up both sides. The total on the left side should automatically equal the total on the right side. If this doesn't it shows some transactions were omitted in the computations

Question: The totals refer to the business worth or value or financial position. What is your total profit?

<u>Assets</u>	<u>Equity &amp; Liabilities</u>
<b>Non-current assets</b>	<b>Equity</b>
Equipment & Fittings	Owners capital (Profit less cash drawings)
<...>	<b>Long-term liabilities</b>
<b>Current assets</b>	<Loans>
Stock	<b>Current liabilities</b>
Debtors	<Creditors>
Bank	
Cash	
<b>TOTAL ASSETS</b>	<b>TOTAL EQUITY &amp; LIABILITIES</b>

## UNIT 7: BUSINESS PLANNING

In this unit, explain that all that has been learnt in the previous units will build into a business plan. A business plan is a summary of what the business intends to sell, the resources it needs and how it expects to acquire them, who will manage the business and what profits may be expected.

A business plan contains the following components:

- Title page (name proposed for the business, entrepreneur's name, contact address and other co-ordinates)
- Summary of business objectives
- Table of contents
- Structure of the proposed business
- Intended product or service that is to be sold
- Marketing plan (based on a simple market survey)
- Financial plan (includes the payment of loan and re-investment of money)
- Anticipated returns
- Other supporting documents, such as letters of recommendation, certificates of
- Education and training, community service documents, etc. Ask participants to form several small groups and ask each group to prepare a business plan.

Question: Make your own business plan. Use the format above and following as an tool to make your own business plan.