



United Nations
Educational, Scientific and
Cultural Organization

STARTING MY OWN SMALL BUSINESS

Participant's workbook

FOR
SECONDARY-LEVEL
LEARNERS

STARTING MY OWN SMALL BUSINESS

**A training module on
entrepreneurship
for students
of technical and vocational
education and training
at secondary level**

Participant's workbook

Foreword

The Education For All (EFA) process, for which UNESCO is the lead Agency, has spurred considerable increases in primary school enrolments in many Least Developed Countries (LDCs). As more and more young people complete their primary education, governments are faced with the challenge of providing them opportunities for further learning – either in the form of general secondary education or alternative preparation for the world of work.

Many countries, particularly in Africa, consider that technical and vocational education and training (TVET) can equip young people with skills that enable them to engage in productive livelihoods. Yet in the past, TVET programmes have not led to increased employment, despite the obvious need in these countries for technical and vocational services. This has been due, in large part, to a dearth of wage employment opportunities for technically trained workers.

UNESCO's Section for Technical and Vocational Education is addressing this issue by proposing that entrepreneurial skills should augment the technical knowledge and skills young people gain in formal vocational training. Entrepreneurial skills will help them to acquire the mindset and know-how necessary to make self-employment a viable career option. Since there is currently little resource material available for teaching and learning about entrepreneurship at the secondary level, UNESCO has developed this prototype of a modular training package in entrepreneurship entitled "Starting my own small business."

It is my fervent hope that education authorities will utilize this training package to prepare secondary-level TVET students to start their own small businesses. Empowering young people to become self-employed and engage in a productive livelihood not only helps them escape the trap of poverty, but also enables them to become active contributors in the economic and social activity of their community.

UNESCO views the ability to engage in a livelihood as a vital life skill. Therefore, this training package in entrepreneurship may be considered a contribution towards achieving goal 3 of the EFA process – providing young people and adults with access to quality life-skills programmes.

Peter Smith

Assistant Director-General for Education

UNESCO

Paris, March 2006

Preface

Starting my own small business is a prototype modular training package in entrepreneurship that is intended to provide supplementary knowledge to young people receiving technical and vocational education and training (TVET), in formal or non-formal settings, so that they may acquire an entrepreneurial mindset and the knowledge to set up a small business, if they so wish.

The training packages have been developed as a result of numerous requests from high-level education policy-makers in developing countries, particularly in Africa, who have bemoaned the lack of employment opportunities for the technically trained, while at the same time the availability of technical services was very limited. They were convinced that young technically trained people needed to become self-employed as independent service providers rather than depend on finding wage employment. Young people would then be able to satisfy the demand for those services while carving out profitable careers for themselves.

Yet, there was little available resource material on entrepreneurship that could augment TVET. This led UNESCO to hold two workshops in Lusaka, Zambia and Kampala, Uganda bringing together TVET policy-makers from 11 East African countries to design modular training packages in entrepreneurship for higher secondary TVET learners and for non-formal learners. Following their guidelines and in close consultation with a core group of the workshop participants, UNESCO's Section for Technical and Vocational Education developed these prototype training packages for the two groups of learners.

The training packages are elementary and are intended to be an introduction to ethical entrepreneurship. They make no claim to be a complete resource material on starting a small business. Rather, they are core programmes that outline the key topics on entrepreneurship and may be expanded or abbreviated as the teaching situation demands. They also aim at instilling a heightened sense of self-confidence, particularly among non-formal learners, and awakening them to the possibility that self-employment could be a viable career option.

Launching a successful business requires an awareness of one's knowledge, skills, abilities, aptitudes, values and preferences. The training therefore begins by inviting students to consider their own strengths and weaknesses in these areas, so that they develop a clear sense of themselves. They are encouraged to

perceive themselves as the actors responsible for their own lives. Learners are then guided through the various stages of developing a commercial idea, from identifying a community need for a product or service to acquiring resources, organizing a workplace and marketing the product or service and finally preparing a business plan. At each step, the learner is encouraged to discover how his or her skills may be utilized to cater to a need in the community. While encouraging independent thought, creativity and initiative, the training demonstrates the benefits of collaborative work by treating selected topics as group activities.

Finally, a section on the use of information and communication technology (ICT) in a small business enables facilitators to introduce these concepts to the extent that is relevant. The rapid spread of ICT usage lends this topic increasing significance. Such a discussion may also help to dispel the mystique that may persist in the minds of some learners regarding ICT.

For learners completing secondary-level education the training may help to make the transition from the structured atmosphere of the school to the world of work. For some non-formal learners it may provide the keys to a livelihood and for others it may lend legitimacy and system to work they are already doing.

By promoting economic self-reliance and the need to play a constructive role in the community, the training also aims at human capacity building, a key element of sustainable development. Furthermore, empowering young people to engage in productive livelihoods is consistent with the first of the Millennium Development Goals, which is concerned with poverty eradication.

Each training package consists of two parts – a facilitator's guide and a participant's workbook. Facilitators may adapt and interpret the training material to suit the unique situations in each community. The packages may be translated into local languages and reproduced without restriction, provided UNESCO is acknowledged as their source.

Section for Technical and Vocational Education
UNESCO

Introduction

Have you thought about how you will earn your living?

You will soon be finishing your technical and vocational education and training. You will then want to be independent – to take your place in your community and the wider world. A good way to achieve this would be by using your technical knowledge and skills, together with knowledge about entrepreneurship, to launch your own business.

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. This would be a service to your community.

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 technical knowledge and skills that are needed by both the community and business. Your ideas are needed. You can produce something or provide a service that you can sell.

As a self-employed businessperson, you will be responsible only to yourself. You will not have to report to supervisors or take instructions from anyone.

You will be your own boss!

However, you will have to use your judgment and your sense of what is right and wrong. Of course, you have a responsibility to your community to be an ethical entrepreneur.

Introduction

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 fulfil your career aspirations.

Enjoy the course and good luck with your business!

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My window on the world of self-employment

This topic will introduce you to a few basic concepts in business.

Unit 1

What is a business?

a) What does 'business' mean to me?

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b) What types of business are found in my community?

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c) Give examples for each type of business.

▷ **Designing**

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▷ Manufacturing

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▷ Supply and distribution

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▷ Selling

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▷ Installing

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▷ Repairing

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▷ Service industries

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Developing my entrepreneurial skills

As a young person with technical and vocational skills, you can offer a service that your community needs and for which it is willing to pay.

Unit 3

Managing my own business

a) What makes a good manager?

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c) What are the advantages of planning?

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d) What is a goal? Think of an example. To work towards that goal, what small steps would you take?

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Unit 4

Communicating

a) As an entrepreneur, what are the characteristics of good communication with clients?

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b) Role-play a conversation between a customer and a businessperson with a classmate. The client should describe his or her needs, which may or may not be satisfied by the product. The businessperson should clearly describe the product or service and its uses, and explain how the product can be adapted to suit the client's needs.

▷ Which arguments were convincing?

▷ Which arguments were not convincing?

▷ How can I communicate more clearly?

c) Why is listening an important part of good communication?

Unit 5

Making the best use of my time

a) Why should I plan the way I use my time?

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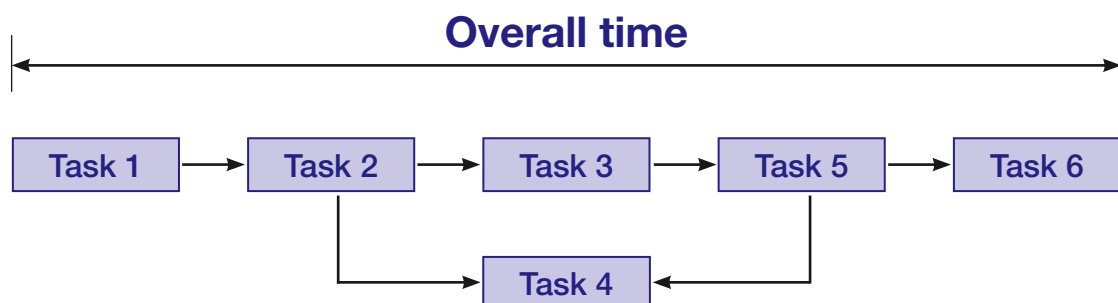
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Daily activity time plan

Activity	Starting time	Stopping time	Duration

Unit 6

Practising business ethics

Businesses are expected to adhere to the laws and rules set out by the community (we will see more on this in *unit 11*). In addition, many groups of businesses have established ethical standards. These standards of practice are a core set of values, developed by that group of businesses, that govern the relationship between business and customers, and between businesses. Although they are not legally required, these values help to provide levels of service that distinguish one business from another and build confidence among clients.

a) Why is it important to practise business ethics and values?

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b) List examples of good business practice and bad business practice.

Good business practice	Bad business practice

▷ What are the possible effects for the business of those practices in relation to the client or other partners?

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Getting started

In this section, you will learn how to generate a viable business idea. This means identifying a need in the local community and using your skills to fulfil that need, in the process earning compensation for yourself in the form of a salary or payment.

Unit 7

Matching my skills with business

- a)** List your skills, starting with the strongest. Cover a broad range of skills, such as thinking skills, personal skills, and health and safety skills, as well as your technical skills. Then list the needs that exist in your community.
- b)** When you have identified the needs, indicate which of your own skills can be used for a business venture that can address these needs.



My skills

A large vertical rectangular box with rounded corners and a light blue border. Inside the box, there are 25 horizontal dotted lines for writing.

Needs in my community

A large vertical rectangular box with rounded corners and a light blue border. Inside the box, there are 25 horizontal dotted lines for writing.

Unit 8

Assessing demand

a) Why should I assess product demand?

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b) How should I assess product demand?

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- c) Develop a survey to assess demand for your product or service. When you have gathered responses to the survey, analyze the information and classify it into demographic groups (for example, age, gender, occupation and income status).

Survey

Unit 9

Sizing up the market

a) What is a market?

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b) Estimate the market for a product or a service over a period of time.
What things can affect my market?

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c) Is my market sustainable?

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Unit 9

Sizing up the market

d) List locations for my business.

Good locations	Bad locations

Unit 10

Estimating cost and setting a price

a) How should I decide on my selling price?

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Unit 10

Estimating cost and setting a price

Cost estimation sheet

Materials					
Description	Basic quantity needed	Extra allowed	Total needed	Cost per unit	Estimated total cost
Total material cost estimate					

Labour			
Trade	Estimated time	Cost per hour	Estimated cost
Total labour cost estimate			

Overheads				
Description	Method of calculation	Units	Cost per unit	Estimated cost
Allowance for overheads				
Total cost estimate (material+labour+overheads)				
Profit desired			%	
Selling price				

Unit 10

Estimating cost and setting a price

▷ For my chosen business, the cost of making my product is:

▷ What other factors should I think about?

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▷ A reasonable price for my product would be:

d) Why should I re-examine the price after I have made my product?
I must remember that my customers may buy from another business if their price is less than mine for the same quality product.

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Unit 11

Observing rules and regulations

d) What taxes should my business pay?

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e) How does paying taxes benefit my business and the community?

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Unit 12

Managing my workplace

a) What is a workplace?

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b) Why must a workplace be well-organized and tidy?

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Mobilizing resources

The resources usually needed to launch a new business may be broadly classified in three groups: financial, human and material.

As a budding entrepreneur, you may need to mobilize sufficient finances to initiate operations. Human resource support, on the other hand, may not be required in the initial stages if you can manage the work alone. Your innovative qualities are expected to help with finding finances and material resources. A spirit of initiative and self-reliance is important in getting the business off the ground by yourself.

b) Where can I obtain funds to start my business? Loans obtained from banks will involve repayment with interest. A new entrepreneur should investigate as many sources of funding as possible in order to secure the best terms and conditions for repayment. This means 'shopping around' for the most favourable interest rates.

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c) What banking services are available to me? How much would I pay?

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Unit 13

Financial resources

How I find and manage my money

d) Why do I need to keep records of money even if I receive a bank statement regularly?

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e) Why is financial planning important?

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Lending institutions may require evidence regarding the prospective business, such as a business plan, a guarantee, and/or your own contribution, before they actually give you money.

f) Income statement

▷ Why is keeping an income statement important for my business?

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▷ What are the components of an income statement?

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▷ Design an income statement for your chosen business.

Unit 13

Financial resources

How I find and manage my money

g) Cash flow statement

▷ What is a cash flow statement?

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▷ What should I do if the cash flow becomes negative for a period?

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▷ Why should I try to forecast cash flow?

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Unit 13

Financial resources How I find and manage my money

▷ Prepare a cash flow statement for my business.

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total for year	Outstanding at year end
Cash sales														
Other income														
Total income														

Outgoings/costs

Material cost														
Labour cost														
Overheads														
Marketing cost														
Loan payments														
Taxes														
Total expenses														
Cash flow value														
<i>Cumulative cash flow</i>														

Unit 13

Financial resources

How I find and manage my money

h) Balance sheet

▷ What is a balance sheet?

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▷ Fill in the balance sheet on the following page.

▷ How do I determine the present value of equipment, taking into account depreciation?

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▷ How do I determine the present value of items I have in my stock?

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▷ How much have I invested in my business?

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▷ Does my business have positive or negative equity?

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Balance sheet

Assets

Current assets

Cash in hand

Total income

Materials in stock

Long-term assets

Equipment

Property

Total assets

Liabilities

Current liabilities

Outstanding debts

Cost of outstanding repairs

Taxes

Long-term liabilities

Bonds payable

Mortgage

Total liabilities

Equity

b) What are the advantages and disadvantages of the following human resource arrangements?

	Advantages	Disadvantages
Hiring		
Training		
Outsourcing		

Unit 14

*Human resources
Hiring people to work with me*

Handwriting practice area consisting of 20 horizontal dotted lines.

Unit 15

My material resources *The things I need*

- a)** Make a list of the material items you will need to start your business.
- ▷ Write these items in the box on the following page.
 - ▷ Try to estimate the quantities of items you will require when your business is just starting.
 - ▷ Think about how you will transport these items to where your business is located.



Unit 15

*My material resources
The things I need*

	Item	Quantity	Where I can obtain it
Regular			
One-off or periodic			

Unit 15

*My material resources
The things I need*

b) Are my materials easily available at a reasonable price? Remember, transporting materials over long distances is expensive and not always reliable!

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c) If any of the items you need are too expensive, how will you overcome this difficulty?

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My first steps in the business world

In this topic, you will develop a simple business plan, drawing on all that you have learnt in this course. This business plan is the practical culmination of your involvement in the course.

Most importantly, it should give you the confidence to take a well thought out, firm step in the world of business!

Unit 16

Compiling my business plan

a) Why do I need a business plan?

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b) What are the components of my business plan?

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c) Here is my business plan.

Dotted lines for writing the business plan.

Unit 16

Compiling my business plan

A series of horizontal dotted lines for writing.

Information and communication technology (ICT)

Information and communication technology (ICT) can help you to launch and manage a business efficiently. Even though certain ICTs may not be immediately available in your community, it is important to have at least a basic knowledge of their potential to improve efficiency and expand a business.

This topic introduces ICT in a progressive fashion, starting with the established technologies and leading to contemporary ones.

Unit 17

Contacting my clients and partners with ICT



a) How is a fax machine particularly useful in my business?

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b) How can I use my local community radio to promote my business?

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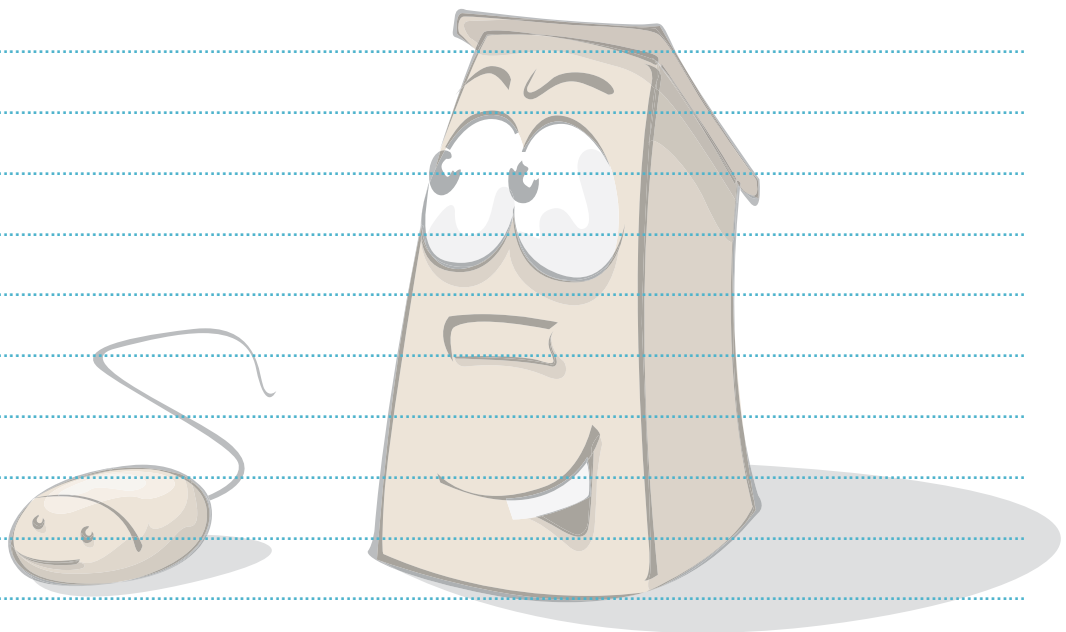
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c) How can a computer help me to run my business?

A series of horizontal blue dotted lines for writing.



Now that you have successfully completed the entrepreneurship training course, you may wish to join a self-employed person or a bigger business to experience in real life all that you have just learnt. Even if you do not receive payment for the work you may do, it would be worthwhile for you to help out with the business because it will give you valuable 'hands-on' experience that will help you when you launch your own business!

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