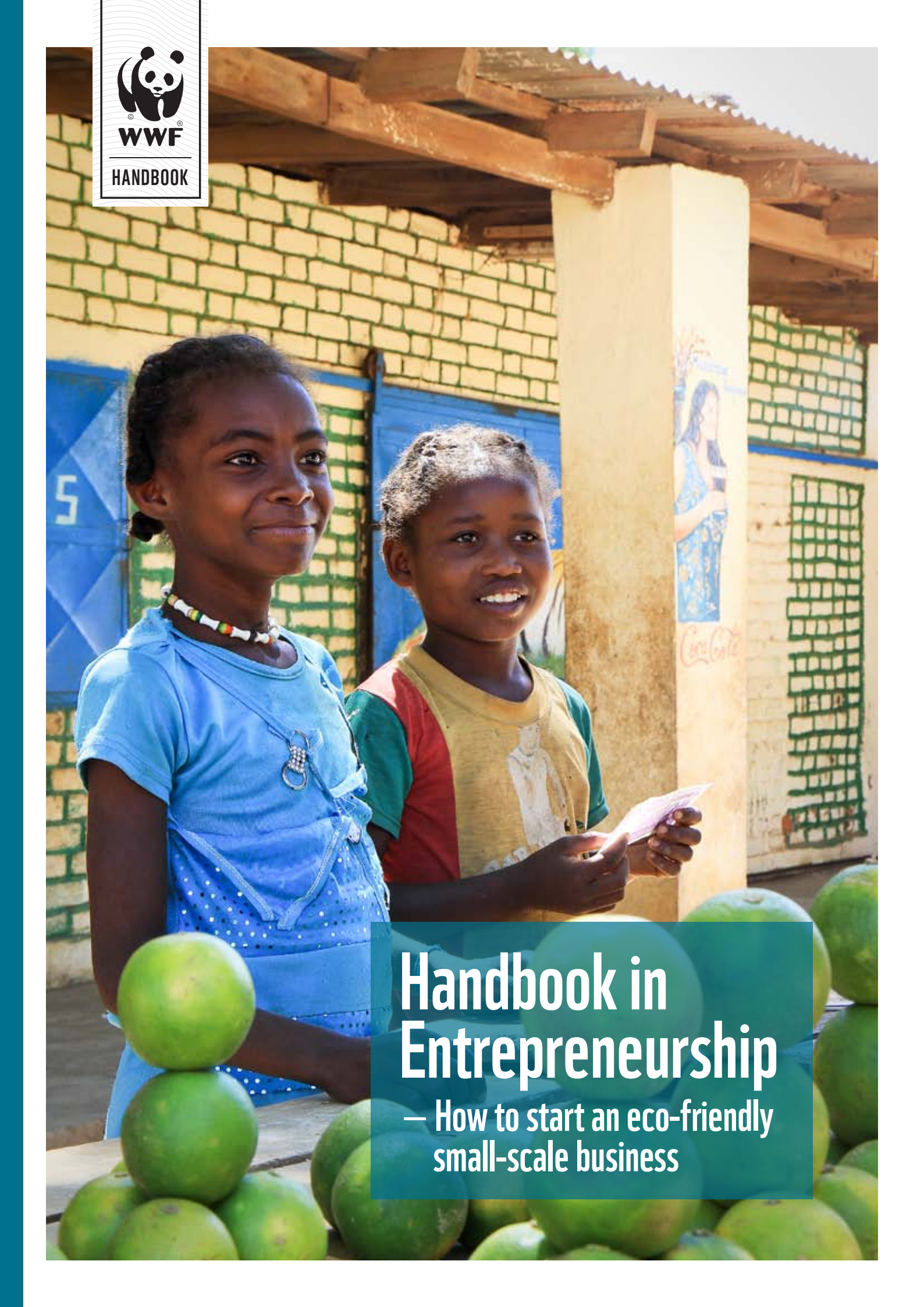




WWF

HANDBOOK



Handbook in Entrepreneurship

— How to start an eco-friendly
small-scale business

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WWF is one of the world's largest and most experienced independent conservation organizations, with over 5 million supporters and a global network active in more than 100 countries.

WWF's mission is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature, by: conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.

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TO STUDENTS, TEACHERS AND MEMBERS OF THE LOCAL COMMUNITY

We all want to see the world develop in a desirable and sustainable way. Many people need to improve their standard of living. The distribution of resources between people must be changed.

It is also necessary to adapt our consumption patterns to match the carrying capacity of nature. Lifestyles that result in the depletion of natural resources, biodiversity loss and climate change are not sustainable. Much has to be changed. We need dedicated politicians prepared to take responsible decisions. We need a large number of individuals acting consciously to contribute to a better world – however this by itself is not enough.

We all want to make a good living. If we are able to provide services and products that are needed in the market this will enable us support a healthy and secure lifestyle. This can also be a good way of contributing to an eco-friendly and sustainable development of the local community. A small-scale business initiative can be a tool to provide desirable development of local society.

This is what this handbook is all about. It sets forth a structure for the development of economically profitable, socially responsible and eco-friendly small-scale business initiatives. The handbook focuses upon students in formal and non-formal education, but since it builds upon a methodology for the development of small-scale business in the local community it can also be used for groups of adults.

You can learn about small-scale business by examining the development of a business idea in the light of the methodology described in this book. An even better option is to develop a real business initiative as part of your schoolwork.

Starting an eco-friendly and desirable business activity, either by yourself or together with others, is both challenging and rewarding. Of course your initiative should be profitable, but it is just as important to gain valuable knowledge by practising what you learn. Learning by doing will give you entrepreneurial experience you can use throughout your entire life!





SUSTAINABLE DEVELOPMENT

The concept of sustainable development became internationally well-known during the biggest meeting ever held in the United Nations assembly. This meeting was held in Rio de Janeiro in 1992. Every country in the world was represented and they all agreed to work for sustainable development. The definition of sustainable development used by the UN is:

“Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs.”

This sounds pretty good but what does it really mean? Try to explain sustainable development in your own words:

.....

.....

.....

To make this concrete, older students can be asked to explain sustainable development to their younger brothers and sisters. Here are some examples of actions that will promote sustainable development:





If all people were Americans. 4,4 globes

Humanity already uses the equivalent of more than 1.5 planets. That is why our natural environment is suffering so much degradation. The level of consumption in Sweden requires resources equivalent to 3.2 planets similar to mother Earth, and consumption in the USA requires the equivalent of 4.4 planets. This means that we need a new development vision – a one-planet lifestyle where people and nature live in harmony, thriving within their fair share of the planet's natural resources.



Global overconsumption. 1,5 globes



A vision for a desirable future

We all want the future to be desirable. The question is what do we want this future to be? What dreams do we have for a desirable future for our local community? We certainly want the future to be sustainable. We want to live a decent life in such a way that our children and grandchildren in future generations will be able to live a similar healthy and prosperous life. How do you want your life to be? How would you like your local community to be?

Worksheet 1.

- A. Clarify your personal vision by answering the questions on worksheet 1.
- B. Form groups. Try to summarize the visions in your group by making a mind map with keywords that indicate your views. To illustrate what we mean there is an example of a mind map on next page. Construct your own mind map using your own headlines and keywords.
Other headlines might be: Communication, health, culture, spare time, food or whatever headline you find appropriate.
- C. When your mind map is finished you will have a visual representation of your vision for a desirable and sustainable future. The next question to be answered is – what needs to be done today to turn this vision into reality?
- D. Make a list of needed changes that must be achieved if your vision is going to become a reality in the future of your local community.

EXAMPLE





Needed changes in our local community:	Achieved by:
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	

Some changes are dependent upon political decision-making. Some require responsible actions on the part of each and every citizen. Others depend upon specific initiatives taken by individuals, or groups of individuals, offering services or products financed by the consumer. These we call business initiatives.

Discuss to what extent you as a group member can contribute to a fulfilment of these needs at the present time and in the future development of your local community. What particular competence or expertise do you need to develop?

3

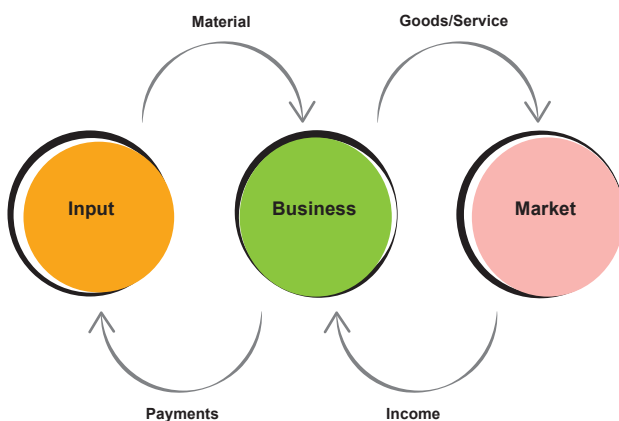
STARTING A BUSINESS

What is a business?

When we talk about business we usually think of selling something to a customer and getting money back in exchange. If our business is successful we will make a profit, which means that the income we receive from selling products or services will be greater than the costs we have incurred in producing them.

The business will buy materials and goods that are necessary to produce the products or services it sells. The business will also have various costs for materials, rent, labour, transport etc., depending on the type of business in question. To make the business sustainable and profitable there are two important criteria that must be fulfilled:

1. The business should not harm or degrade the environment in any way. If it does so it will not be able to continue to operate in the long run.
2. The business must be profitable – this means that the income from the goods or services sold must be greater than all the costs paid out for materials, labour, rent and other expenditure.



There are always risks involved in running a business. Perhaps an insufficient number of customers are prepared to buy your products, or they may think the price you are asking is excessive. In this case your revenue will be small and there will be no profit generated. The product or service might be difficult to manufacture or provide or its quality might be inferior – which again may mean it is difficult to sell.

You run a critical risk if it is unclear who is responsible for different tasks in the business and if everyone concerned does not agree about how things should be run.

You can minimize risks by preparing and planning everything properly in advance. If you plan carefully together with everybody who will participate in the business scheme, the chances of being successful will be much higher. For this reason we

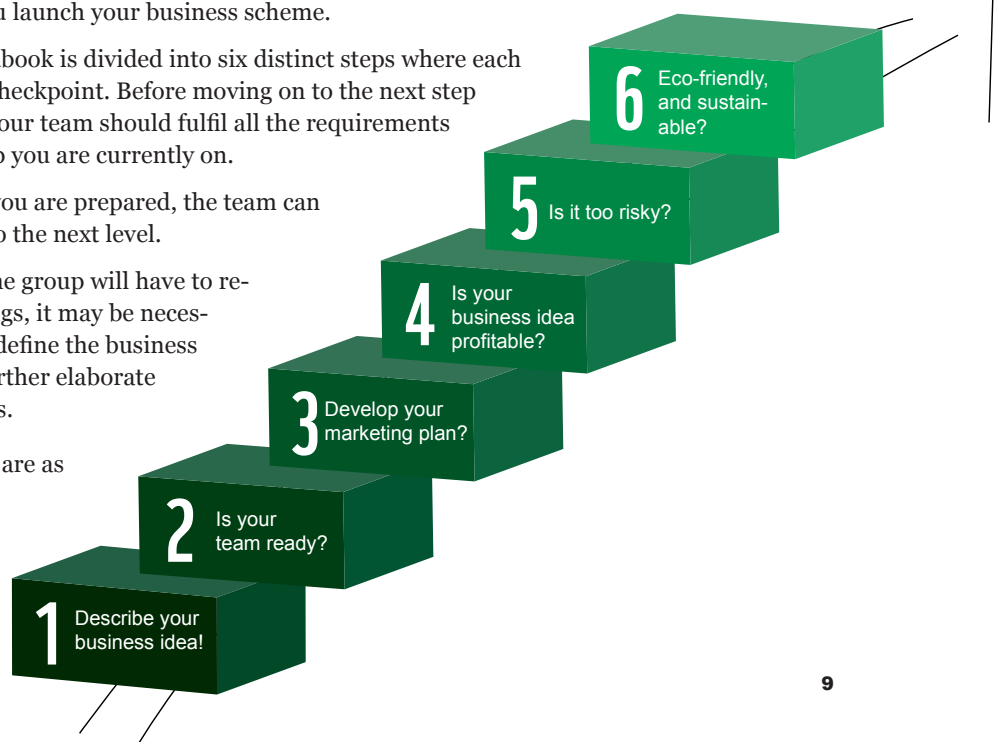
will start by looking at some of the preparations you should make before you launch your business scheme.

This handbook is divided into six distinct steps where each step is a checkpoint. Before moving on to the next step you and your team should fulfil all the requirements of the step you are currently on.

If YES – you are prepared, the team can move onto the next level.

If NO – the group will have to re-think things, it may be necessary to redefine the business idea or further elaborate your plans.

The steps are as follows:



4

WHAT TYPE OF BUSINESS SHOULD WE START?

Worksheet
2, 3.

All successful businesses begin with a good business idea! What can you offer your customers?

List different ideas that you think you will be able to manage and which will be sustainable. Fill in the speech bubbles in the worksheet.

Select the ideas you think are best from a business point of view. Pay attention to sustainability in ecological, social and economic issues. Your idea must be good enough to attract customers who are willing to pay for the product or service.

Mark your three most interesting ideas with:

A

B

C

Now we will investigate more in depth different aspects of the three ideas you have chosen.

The idea with the highest score is probably the idea that is best for you to develop. Let's describe this idea in more detail. Then we will see if it seems likely to be profitable and eco-friendly and if it is sustainable as well.

5

DESCRIBE YOUR BUSINESS IDEA!

You have chosen a business idea that you think will be fun to put into practice and that you are competent to manage, and that will attract a sufficient number of customers. This business idea should be your guiding star when you elaborate your business plan.

Worksheet
4.



What is special about your products or services? What is the difference between your offer and all other products or services that may already be available on the market?

The star will guide the group in developing the business idea in the right direction. The business idea should be well defined so that all members of the team are familiar with its content and the objectives of the business scheme.



6

IS YOUR TEAM READY?

Worksheet
5,6.

The future of your business depends on you!

A successful business depends on the people who are involved in starting and running it! If you start the business on your own, you will have to assume full responsibility for managing all the various tasks involved. If you are a group of students who will start the venture together you must know each other well and develop a team spirit built upon mutual respect. You must also be able to cooperate and solve issues of conflicting interest within your group.

You need to organise your work to clarify who will take responsibility for different sides of your business.

The following are some of the areas of responsibility that must be defined:

Managing Director

The Managing Director is the captain of the business scheme. He or she should have an overall view and try to help everybody in the team to discharge their responsibilities to the best of their ability. The Managing Director is also the person who will discuss and negotiate with external contacts, e.g., teachers, the school management, important customers and suppliers.

Economy

Everything connected with money and economy must be handled very carefully. Somebody must take care of the bookkeeping and keep it up to date all times. Full responsibility for financial matters must be assumed if the business venture is to survive.

Administration

Order and tidiness are necessary for a well-functioning business. Minutes from meetings and other important documents are vital if the organisation is to function properly.

Promotion

Customers must know about your business and the services or products you offer. You can promote your business in many different ways: by talking to people, giving promotional items away in shops, participating in trade fairs, setting up posters, etc.



Sales

If you can't sell your products or services your business will fail. When you meet customers it is important to know how to present your products or services, and how you can persuade a customer to buy.

Production and purchase

All the products you offer have to be manufactured. Services you provide must be packaged. It is important that everything you make or do has the necessary quality and the right design and that it is available as soon as the customer has decided to buy. You must plan your purchases and manufacturing so that your products will be available at the right time.



Create a good team!

If you are planning to start your business by yourself you have to think about how to manage all necessary tasks and responsibilities on your own. Perhaps you can ask somebody to help you, especially in connection with responsibilities you will not have the time carry out properly.

It is usually a good idea to put together a team whose members can help each other to manage the different sides of the business. In this way you can choose the person who is best to take on a specific task, e.g., sales, promotion, economy or to be the manager. Everybody in the business team will be equally important and must do their utmost to get the best result from the business.

When you are forming a team it is important that you discuss everything thoroughly before you start. Everybody must understand what you are going to do, the business idea, the objectives of the scheme and how it is to be managed. Don't forget questions like:

- What should we do if we make a profit?
- What should we do if somebody else wants to come in with us?
- What should we do if a team member wants to quit?

Once you decided to start, it is a good idea to form a management group where everybody in the team participates. Try to hold regular meetings. In these meetings you can discuss plans and assess how things have turned out. Everybody can report from his or her particular area of responsibility. Close co-operation in an open and trustful atmosphere is essential.

Worksheet 7.

Networking

You may have formed a good team but you will still need help and counselling from people around you. Your teachers and the school management can help you in many ways. Inform them of what you are planning at an early stage and ask them for advice on how to get started.

Close to you in your village or town there will be many entrepreneurs who have a lot of experience and know how to run a business successfully. Ask somebody you think might be willing and interested in helping you. A good mentor can answer many of your questions and give you good advice.

Networking is invaluable. It gives you access to a body of experience and knowledge amassed by other companies and organizations. Try to get in touch with people you think might be useful and helpful for your business and ask them for help and advice when needed.

It is a good rule to ask for advice, but remember the final decision always rests with you and your business team.



DEVELOP YOUR MARKETING PLAN!



In the market buyers meet salesmen. As a sales person you will have to convince the buyer that your products or services are just what he or she needs and that they will be pleased with their purchase.

We will now look closer at consumer demand for your business products or services to ensure that your business venture will be able to generate enough sales and sufficient revenue to make a profit.

Who is your customer?

A business dealing in the cultivation of vegetables will not have as many regular customers as a handicraft manufacturing business or a wool production venture.

Try to define who your regular customers are and what the most important reasons for their buying from you are. How much will each customer buy and when will they want to buy it?

Do you have any competition?

Investigate competitors who sell identical or alternative products in the market where you will be active. What is the quality and price of their products? How do they sell them?

Why buy your product?

Usually a customer can choose between different products and different producers. Why should the customer choose your products or services? Is it due to the price or quality or the fact that your products are readily available and sold nearby?

Price

Price is always important when a customer decides to buy from you. Sometimes it is not the cheapest products that sell the most. Many factors play an important role – availability, quality, design, status, appearance, etc.

There are two different methods to choose from when deciding upon product price:

- **Produce costing method.** You calculate all the costs you will incur producing your product or service. You should include your own wage in the calculation and also some risk margin or profit. When you have carefully calculated all your costs you will also need to know how many products you plan on selling. Total cost divided by the number of products sold will give you the minimum price you can sell your product for. If you are selling services, you divide the total cost with the number of hours you will sell to customers to get the minimum price per hour.
- **Market method.** Using this method you try to determine how much your customers are willing to pay for your product. Perhaps your customer can pay a much higher price because your product or service is of an exceptional quality or because it is not available anywhere else. Sometimes sales will increase when the price is higher. If you have competitors, what prices do they charge? Can you sell for a higher price or do you have to match their price or charge less than they do?

If the market price is lower than your calculated price according to the produce costing method – then you have a problem! You will need to cut costs or increase your sales – otherwise you will not be able to make a profit from your business.



If the price according to the market method is higher than that arrived at by the costing method you should use the market method price. If you manage to sell according to a budget based on market method pricing, then you will have a good chance of making your business profitable.

Place

The place where you sell your product is important. If you can afford a shop in a frequently visited location sales will definitely be higher than if you are located on the outskirts of town. Perhaps you can share with somebody who has a suitable venue? Alternatively you can deliver your product directly to the buyer and thus gain an advantage over your competitors.

Promotion

Even an excellent product can benefit from good promotion! Advertisements can make your business better known. An effective method is to talk to as many people as possible. The very best advertisement is of course when a customer is pleased with your product or service and tells neighbours and friends about it.

Perhaps your product should be packaged in an attractive box. Handmade products from a community group or from a group of students should carry tags that tell customers who has manufactured the product, the materials used, that fact that the product is ecological, etc. A tourist venture will need an attractive brochure informing about the experiences awaiting the prospective customer and telling why your particular attraction is especially exciting and interesting.

There are many different ways to promote your own business and these do not necessarily have to cost a lot of money. Perhaps you can get an article placed in your local newspaper informing people that you are starting a business, telling them what you are going to produce and where customers can find your products.

It is important that you try to find a marketing and promotion mix which is suitable and affordable for your business venture.

Plan the marketing activities you will need to carry out. Try to estimate how much they will cost.

Make a poster advertising your product:

- What is the product
- A slogan
- A strong argument to buy it
- Your company

How much will you sell?

When you have identified your potential customers, the competition you will have to face and the conditions prevailing in your chosen market, you are ready to calculate the number of products or service hours you will be able to sell. The quantity times the price will give you estimated sales and income.

A “good” transaction!

Always remember that customers are the most important people in your business.

If you provide them with what they want and need at prices they are willing to accept, and treat them with respect, they are likely to remain your customers!

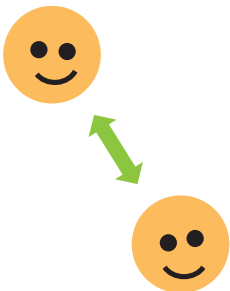
A good transaction is when both the seller and the buyer are pleased about the business deal! A good transaction is when the buyer wants to come back to you and buy again! After each sale we will see TWO happy faces, yours and the customer's!

Worksheet

8.

Worksheet

9.



A good business deal!

RESOURCES NEEDED AND HOW TO FINANCE YOUR STARTUP

If you have any expenditure for your business before you are able to start selling and generating income you need start-up capital. There are three kinds of costs we should take a look at:

- **Introduction and marketing costs** – quite often you will have to spend money on advertising or assembling marketing materials before or during the start of your business venture.
- **Running costs** – these are costs for raw materials and supplies you will use when you are running your business. To start your business you will need enough supplies to carry you through the initial phase until you start getting money from customers and can buy more supplies.
- **Investments** – these are procurements like machines, which will last for several years. When you start your first business you should avoid investing too much money. If you need machines, perhaps it will be possible for you to borrow or rent these to start off with.

Worksheet 10.

Try to determine the resources you will need during the first few months before you get income from sales. Then attempt to figure out how you can raise the funds you will need to pay for these resources.

The first question is always – do you have sufficient capital to start your business by yourself? If you are a group starting a business together you must discuss between yourselves how much each individual is able to contribute.

It may be possible for you to get hold of necessary materials and tools at little or no cost. If this is the case you will not need a lot of ready cash to get your scheme started.

If you do not have enough money yourselves you will have to find finance somewhere else. One possibility is to take a loan but this is always risky. A loan has to be repaid and you should be very careful not to get into debt unnecessarily. Can you apply for a scholarship or a grant somewhere to finance your business plan?

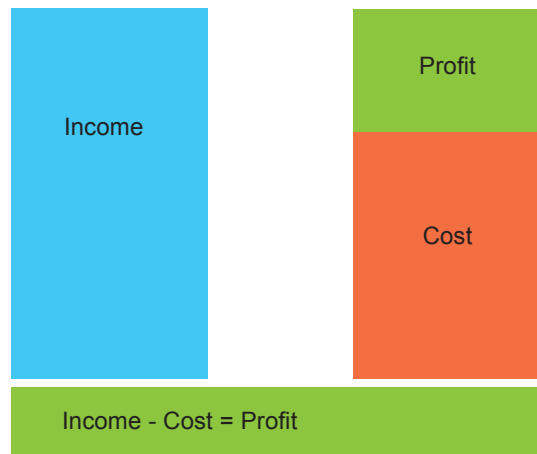


CAN WE RUN THE BUSINESS AT A PROFIT?

To find out if the business will be profitable you must make an income/expenditure budget. We need to calculate the income we will earn and the costs we will incur.

Profit

Profit is the difference between income and cost. To make a profit, income must be higher than expenditure. If you are to be able to run a business successfully over time the business must generate a profit. This will ensure that there will be reserves if something goes wrong or if sales fall off during a period. Profits also enable the business to branch out into new activities and invest in new equipment.



Income

Income is all payments received by a business for the products or service it sells. To calculate yearly income, you must estimate how much you will be able to sell and the price you can charge for each item. Yearly income is often quite difficult to calculate, but it is important that you try to establish as closely as possible how many customers you can expect and how much they are willing to pay for your products.

It usually takes much longer than you might expect to reach out to customers and for sales to take off. Quite often the volume of sales will be low during the first few months, or even the first year, because not all presumptive customers will know about your business.

Income = number of products sold * price of each product

Income = number of hours of services provided * price per hour

Worksheet 11.

Costs

As soon as you start your business, even during preparation time, you will incur costs that have to be paid.

Costs can be grouped into different categories:

- Costs for buying raw materials or readymade products for sale.
- Costs for wages and labour.
- Miscellaneous costs such as training, transport, telephones, repairs, marketing materials, bookkeeping etc.
- Interest on loans.

It is important that all types of costs are listed and carefully calculated. It is a common error when setting up a budget to neglect or forget some costs and exclude these from the budget, or that your calculations are too optimistic, i.e., the estimated cost turns out to be much lower than the actual cost.

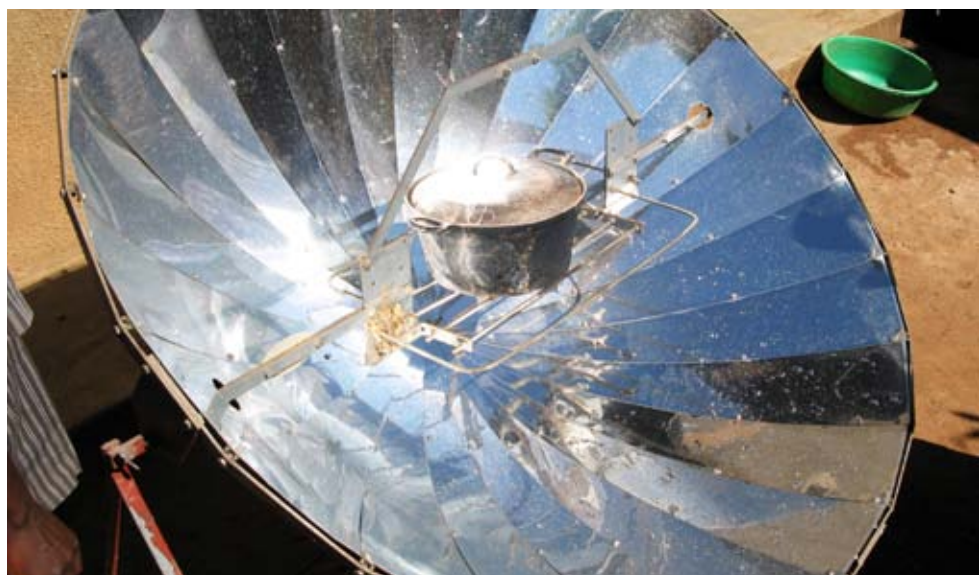
Total costs = raw material and bought products + labour costs + miscellaneous costs for workshops, office premises, telephones, transport, bookkeeping + marketing + interest on loans.

Budget for income and expenditure

Now take your calculations with regard to income and costs and put them into your income and expenditure budget.

It is always a good idea to calculate for different scenarios. One budget can show income and expenditure if your business turns out exactly as you plan. You can also compile a budget with a slightly more pessimistic outcome. Maybe it will take much longer to sell your products than you have hoped and/or maybe the costs will be higher than expected.

When you summarize your total income and deduct all costs the remaining sum will be your profit. If the costs are higher than your income, your business will not be profitable and be running at a loss. In this case you should go back and see if you can change anything – either by reducing costs or by trying to increase your income. If this is not possible, then you should probably try to think of another business idea.



ESTIMATE THE RISKS IN YOUR BUSINESS!

All business ventures involve a certain amount of risk taking. There is always a risk that something might happen to jeopardise the whole venture and all the money that has been invested. So we had better carry out careful risk assessment before we finally decide to start the business.

If you are a group about to start a business, all group members should take part in the risk analysis and discussions in connection with this. The group should jointly decide what measures can be taken to mitigate the risks – or if the risks are found to be too high decide that the business should not be started at all.

Here are a few examples of possible risks:

- If you plan to grow vegetables there may be droughts.
- If you plan to raise poultry the birds may become sick.
- A competitor might start the same kind of business.
- You might have underestimated the costs involved in starting up your business.
- It might take a longer than planned to get everything up and running and generate income and you might run out of cash.
- Conflicts may arise in your group.

How should you try to prevent these risks? How can they be handled? How can you reduce the consequences?

These are just a few examples of risks that might threaten your scheme.



Worksheet 12.

You can make a risk assessment as follows:

1. Try to list all the possible risks that you run, no matter whether you think they are great or small. Some risks are critical when you start up the business, other risks are more likely when you have started your venture and been running the business for some time.
2. Try to estimate how serious each of the risk factors is. Rate them from 1 to 5 where 1 means that the risk is limited and 5 stands for a high and serious risk.
3. Now you have a list that indicates which risks are the most serious and likely to occur. How can you minimize these risks? How can you reduce their consequences?

11

SUSTAINABILITY IMPACT ASSESSMENT AND SUSTAINABILITY GOALS

Worksheet
13, 14

The mission of the World Wide Fund for Nature (WWF) is to build a future in which human needs are met in harmony with nature. Ecosystems must be conserved, restored and sustainably used in order to achieve the long-term development of standards of living. The sustainable use of natural resources is a precondition for the alleviation of poverty and a healthy and sound social and economic development.

You must make sure that your business initiative does not deplete natural resources or harm ecosystems in any way. Your business must support the development of a desirable life for human beings and a desirable development of civil society.

List the positive or negative impacts your business may have on the environment and people's lives. Note that some impacts may be positive. Assess levels of seriousness and make a plan of how to mitigate negative effects. These will be your sustainability goals. In addition you will need an action plan of how to achieve your goals. What is to be done by whom and when?

12

ORGANISATION AND MANAGEMENT

Bookkeeping

A clear and consistent recording of all the financial transactions related to the business is compulsory for all types of business ventures. One person should be appointed to be responsible for bookkeeping and managing money.

The cashier / bookkeeper will record all transactions in the cashbook. The cashbook shall show how much there is in the cash balance after each transaction.

Each transaction must be verified with a document, a voucher. The voucher shall have a reference number and be kept in a file in number sequence so it can be easily found.

Example from a cash book:

Date	Voucher number	Transaction	In	Out	Balance
12/01	1	Team members cash contribution	3 000		3 000
14/02	2	Team members cash contribution	6 000		9 000
16/02	3	Bought flower pots, 20 pieces		4 000	5 000
18/02	4	Bought flower seeds		1 500	3 500

As a minimum requirement the group should keep the following accounting books:

1. Cashbook – for the handling and accounting of cash in hand
2. Voucher file – to keep all vouchers and supporting document in consecutive order

If you are a group running the scheme all members should, at all times, have access to financial documents and books. Information about sales, costs, cash balance etc., should be reported regularly at meetings.

Note that the cash balance in the cashbook should be regularly checked so it corresponds with actual cash in the cash box. After the cash count the management team will sign the cashbook to verify that the cash check has been carried out.

Wages and profit sharing

When there are many group members participating in a business scheme it is important to discuss financial matters before you start. Should anybody be paid a wage for the work they do? How and when should members be paid?

If the scheme is generating a profit, how is this profit to be used? Should you save the profit for future investments and development of the scheme or should it be shared out between members?

Financial issues like the one above should be thoroughly discussed and agreed upon by all group members before the scheme is started.

Make your own action plan!

Make an action plan before you start the business, to organise and clarify who does what, and when this is to be done. An action plan is an effective tool to check that things decided upon have been carried out and that the time plan has been followed.

Your action plan might look like this:

No	Action	Ready date	Responsible	Status / Notes
12/01	1	15/5	Sandip	Started
14/02	2	20/5	Chimeg	Go to the village
16/02	3	20/5	Mary	In town
18/02	4	25/5	Everybody	

BUSINESS PLAN

CONGRATULATIONS – you have now carried out all the preparation and exercises set forth in this handbook and you are on the last step, highest up on the ladder. Your business idea has been ventilated and studied in depth. Well, there is one more useful thing well worth doing. Assemble all your exercises and worksheet and you will have a good presentation of your business scheme. You will have your own Business Plan!



The business plan is a very useful document. When you want to inform somebody about your activities – perhaps your schoolteacher or headmaster, or somebody else you need to have good relations with – your business plan is the right document to show and hand out. This plan is also useful within the group – it shows everyone what you want to achieve.

So the business plan consists of the worksheet from your business idea: your team organisation, market plan, budget, risk analysis and sustainability analysis. Of course you can add more information, drawings etc., at any stage. With all this in hand you will be in possession of an excellent business plan!

However, you must remember that a business plan is a living document. A business venture will never be static. Continuous improvements and development are necessary. Your enterprise can always be improved upon and developed further. How can you make your business more effective? How can you reach more customers? How can you improve the quality of your products and services?

The process is circular. The first time around you are ready to launch your business. But you should not stop there. You should improve and make changes time and time again, going through the cycle repeatedly as your business evolves!



Good luck on your journey!

Good luck on your journey and remember one important thing: always ask for help and advice when you are unsure of which direction to choose!

Worksheet 1

A vision for a desirable future

Imagine that you wake up one morning ten years from now.

What does your home look like?

.....

.....

How do you live?

.....

.....

What do you want to see when you look around your local community?

.....

.....

What do the houses look like? The streets, squares etc.?

.....

.....

How do people make a living? What jobs do they have?

.....

.....

What do you work with each day? Where do you work?

.....

.....

How do you spend your spare time?

.....

.....

Which persons are important to you?

.....

.....

What kind of transport do you need? How do you travel on different occasions?

.....

.....

What type of business should we start?

Worksheet 2



Mark your best three ideas with:

A

B

C

Worksheet 3

To help you select the business ideas with the best potential rate their most important aspects below:

Business ideas to investigate:

A: _____

B: _____

C: _____

1: Would this business activity be fun to run and manage?

No Yes

1 2 3 4 5 6

Score A: _____ B: _____ C: _____

2: Will your product or service be easy to sell on the market?

No Yes

1 2 3 4 5 6

Score A: _____ B: _____ C: _____

3: Will this business scheme be important for environment conservation?

No Yes

1 2 3 4 5 6

Score A: _____ B: _____ C: _____

4: Will it be easy to find needed resources?

No Yes

1 2 3 4 5 6

Score A: _____ B: _____ C: _____

5: Do you believe this kind of business will be profitable?

No Yes

1 2 3 4 5 6

Score A: _____ B: _____ C: _____

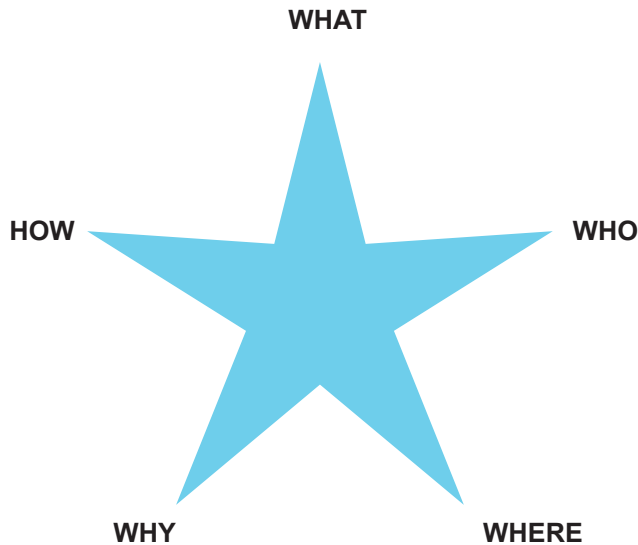
6: Do you possess sufficient knowledge and expertise to manufacture this product or provide this service?

No Yes

1 2 3 4 5 6

Score A: _____ B: _____ C: _____

Total score A: _____ B: _____ C: _____



Develop your business idea

WHAT products or services will your business sell?

Think through clearly what your business will sell. Do you offer many different kinds of products or services, or just one? Is your product completely new or is it commonplace and already on the market? Do you have the technical knowledge to manufacture the product or provide the service?

What products/services will your business sell?

.....

.....

WHO is going to buy your products or services?

People who buy your products are your customers. They can be private individuals or other businesses. Try to describe your typical customer as clearly as possible.

Who is going to buy your products or services?

.....

.....

WHERE are you going to sell your products or services?

In your community, in a city or town nearby or across the whole country? How large will your target group be – are there enough customers?

Where are you going to sell your products/services?

.....

.....

WHY are customers going to buy your services or products?

Are your products better, have a superior design, or are more fun, or easier to use? Try to give a clear answer to why your customer will want to buy your products or use your services. Are your products better for the environment? Why should the customer prefer your products or services

Why will your customers buy your products or services?

.....

.....

.....

HOW are you going to sell your products or services?

Directly to the customer or via a retailer or shop? How will you get in touch with the customer and how will the customer know that you have the product or service to sell?

How are you going to sell your products/services?

.....

.....

.....

.....

Worksheet 5

My name is:

.....

I'm especially interested in:

.....

.....

.....

I'm good at:

.....

.....

.....

I need to develop competence in:

.....

.....

.....

I believe I can contribute to the group with:

.....

.....

.....

Tell each other!

Worksheet 6

Social competence

Why are the following capacities important if you are developing a business activity?

Ability to listen

.....

Patience

.....

Politeness

.....

Being honest

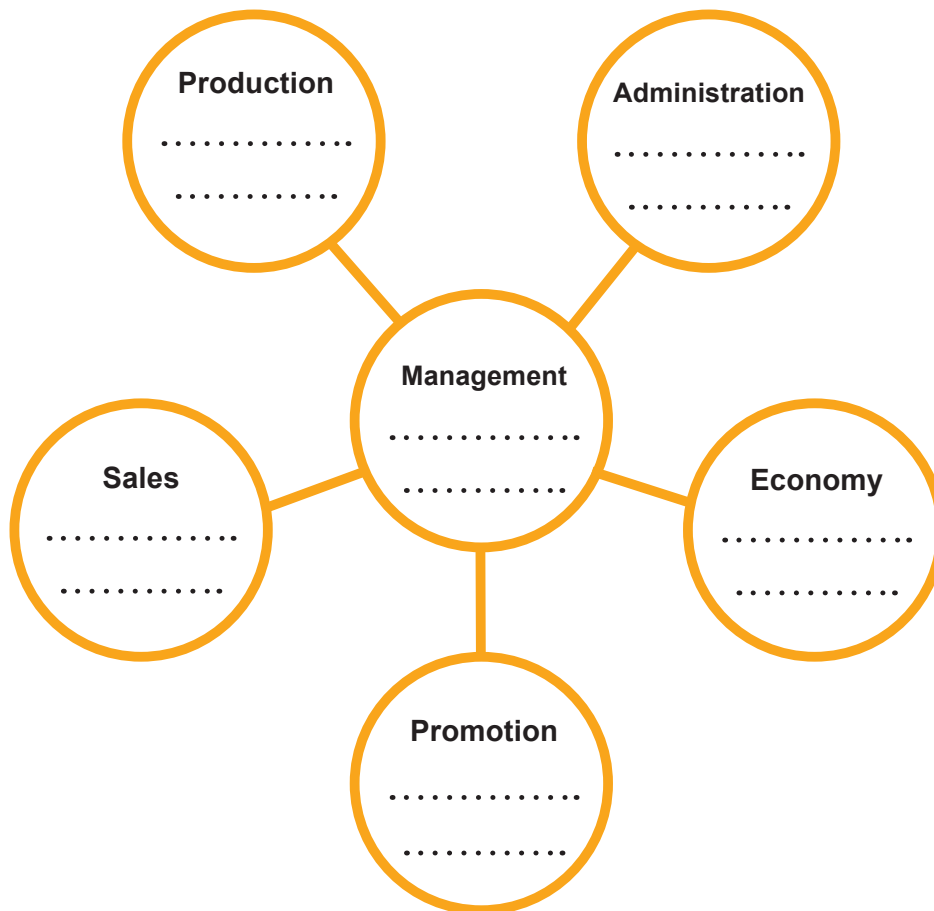
.....

Compare your results!

Is your team ready

Assign individual task:

Worksheet 7



How will decisions be taken? What limitations are there to decisions that can be taken by the manager and the individual partners in your business?

.....

.....

How are you going to communicate setbacks and achievements in your business?

.....

.....

What happens if somebody wants to join or leave?

.....

.....

Develop your marketing plan

Plan the marketing activities you will need to carry out. Try to estimate how much they will cost.

Worksheet 8

Worksheet 9

Make a poster advertisement for your product

What is the product?

.....

.....

.....

.....

.....

A strong argument to by it?

.....

.....

.....

.....

.....

Your company

.....

.....

.....

.....



Resources needed

Calculate the investments and expenditure you will have before the business is up and running and generating revenue!

Worksheet 10

Resources needed	Investment sum
Office equipment	
Telephones	
Machines/ tools for production	
Raw materials needed	
Goods to be sold	
Marketing	
Total start capital	

How to finance your start up

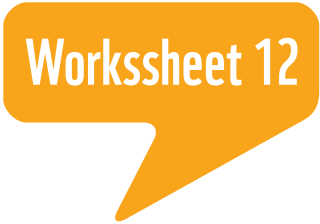
Source of capital	Total Amount
Own resources – materials	
Own resources – capital	
Bank loan	
Scholarship/grant	
Total	

Income and expenditure budget

Worksheet 11

Income / Expenditure	Year 1	Year 2
Income		
Product 1		
Product 2		
Total income	+	+
Expenditures		
Raw materials		
Products bought		
Telephones		
Electricity		
Transport		
Repairs		
Office materials		
Marketing activities		
Wages		
Interest on loans		
Other		
Total costs	-	-
Profit + / Loss –	=	=

Risk assessment



No	Risk factor	Risk potential 1 - 5	Eliminating activities
1			
2			
3			
4			
5			
6			
7			

Sustainability aspects

How does your business affect the environment and people's lives?

Worksheet 13

Local economy

.....

Social conditions in your community

.....

Degradation of natural resources

.....

Land use

.....

Consumption of energy and climate change

.....

Air and water quality

.....

Use of chemicals

.....

Production of waste

.....

Animals and plants in nature

.....

Health of people working in your business and living in the area

.....

Other impacts

.....

Worksheet 14

Assess the most severe problems

There are three tables: A, B and C.

When you are rating your challenges, look at B to get a hint of the rate of seriousness.

In A you can see two examples. The first example: $2 \times 3 \times 3 \times 2 = 36$ points, In C you summarize the preventions.

A

Activity	Impact	Rating of seriousness 1 - 3				
		How serious	Time for effect	Range	Prob-ability	Total rate
Boiling water on charcoal fires	Climate change	2x	3x	3x	2x	36
Packaging potatoes in plastic bags	Littering	2x	2	1	3	12

B

How serious	Time for effect	Range	Probability
1. Low	1. Short term	1. Local	1. Only accidental
2. Medium seriousness	2. Medium	2. Regional	2. Low probability
3. Very severe effects	3. Long term	3. Global	3. High probability

C

Challenge	Prevention
Climate change due to use of charcoal	Start biogas production from dung
Littering of polythene bags	Sell cloth bags that can be reused

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MIXED
SOURCES

SUSTAINABILITY ASSESSMENT

An important part of developing a small-scale business is to make sure that it doesn't harm the ecosystems. In this handbook you will train in making a sustainability impact assessment.

5 QUESTIONS

When you have come up with a business idea you ought to ask you five questions: What, Who, Where, Why and How?

A SMALL-SCALE BUSINESS

A small-scale business initiative can be a tool to enhance creativity and provide an eco-friendly development of your local society.

SUSTAINABLE DEVELOPMENT

"Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs."

Our Common World, UN

6 STEPS

This handbook is divided into six distinct steps how to develop a viable and eco-friendly small-scale business.



Why we are here

To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature.

www.panda.org/earpo