



Business Start-up Training Programme

Trainer Guide¹



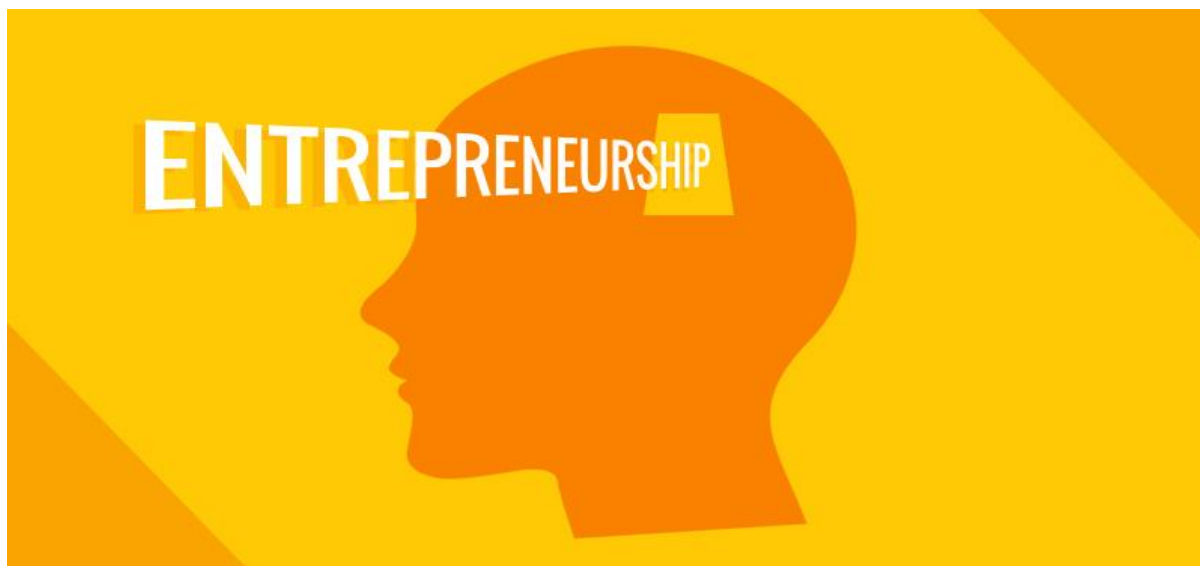
Entry session : Baseline Personal Assessment

Module 1 : Practical Entrepreneurship

Trainer Guide1

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Opening a new path for the excellence of potential entrepreneurs

This is the commencement of a results-focused Business Start-up Training Programme. Trainees have been screened and selected through a logical process. The selected group apparently has the potential to be entrepreneurs and shown their desire to undergo a comprehensive entrepreneurial development training and start a business. From this step, trainers are **accountable** to inspire them, identify their individual gaps in relation to applied entrepreneurship, develop their entrepreneurial mind-sets, educate them on relevant subjects, take them progressively on the learning and skills development path to reach business start-up objective and develop a success-oriented entrepreneur in them.

This is a professionally designed, results-focused, workable business start-up training programme which can assure a higher rate of business start-up success if the process starting from this moment is performed accurately, and professionally with mindfulness. Trainers' expertise, creative approaches, and commitment would be key bases for enhanced results. In taking the trainees (potential entrepreneurs) along with the entrepreneurial competence development path, trainer will have to play the key roles of trainer, facilitator and mentor. It is assumed that the trainers are sufficiently equipped with relevant competencies to perform those roles effectively and analytically convince the concepts with insightful approaches.

Let's start with the **Entry Session** that contains a **Baseline Personal Assessment** followed by the **10 Sessions of Module 1- Practical entrepreneurship**.

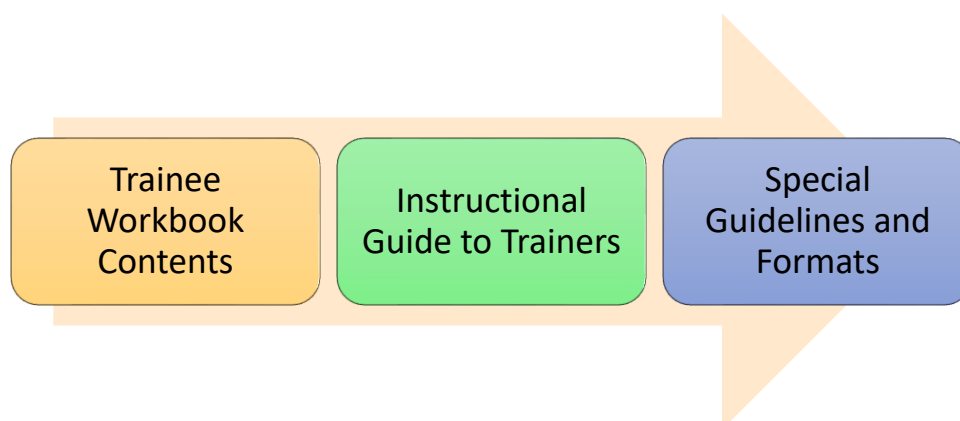
Entry Session: Baseline personal assessment	A baseline personal assessment exercise on “My Readiness to be an Entrepreneur” (to be completed by individual trainees as a self-assessment)
Sessions of Module 1- Practical entrepreneurship	1.1 Power of entrepreneurship 1.2 Entrepreneur and entrepreneurship 1.3 Importance of entrepreneurship 1.4 Characteristics of an entrepreneur 1.5 Creativity& Innovation (Essential tools) 1.6 Entrepreneurial competencies 1.7 Process of entrepreneurship 1.8 Wealth of an entrepreneur 1.9 Types of businesses 1.10 Legal modes of businesses

This guide explains how the trainer should take the trainees through the Entry Session and the Module 1. The guide provides the instructional pathway incorporating the concepts involved, examples / stories, exercises, learning activities, group work, and assignments (class room / field). Trainee workbook has allocated space to complete certain exercises. When necessary, trainer should arrange pre-printed formats for some exercises and learning activities.

Remember that the attention span of today's trainees is shorter. Energizing them every 20-30 minutes would enhance their learning interest. Trainers will be comfortable with effective delivery if they can apply techniques to maintain higher levels of learner interest. Creating a learning environment where the trainees can learn with joy would be the best way to maintain the learner enthusiasm.

Trainees need motivation to speed up their journey towards starting a business. Providing motivation is not a one-time activity. It is a continuous process. Trainer should be mindful throughout to provide motivation while improving the knowledge, skills and mind-sets of trainees.

Roadmap of the Trainer Guide



Entry session:

Baseline personal assessment exercise

Self-Assessment - “**My Readiness to be an Entrepreneur**” (to be completed by individual trainee)

Outcome: Trainees’ self-identification of relevant self-related factors that can have an impact on readiness to be entrepreneurs, and possession of baseline information and assessment for periodic comparison to view the progress.

Entry Session	Time (mins)	Methodology	Training aids
a. Welcome the trainees	10	PPT- based short presentation	PPT
b. Introduction to the overall training programme	15		
c. Self-introduction by individual trainees	35	Use a creative method (See the example below)	PPT

<p>d. Self-assessment exercise - “My Readiness to be an Entrepreneur” (Refer Special Guidelines & Formats)</p> <p>- Guide them to complete the format</p> <p>- Explain about SWOT enabling trainees to complete relevant sections. <i>(Refer Special Guidelines & Formats)</i></p> <p>- Ask them to complete at home and bring back if not completed during 40 mins.</p> <p>In-class total: 100 mins</p>	40	<p>Explanation</p> <p>Demonstration</p> <p>Guidance</p>	<p>Self-assessment format <i>(Refer Special Guidelines & Formats)</i></p> <p>Flipchart / Whiteboard</p>
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Example: A simple, creative method for self-introduction of trainees

Step 1: Ask trainees to get in to pairs as they wish.

Step 2: Each person should get the information of the other- name, home town and what motivated him/ her to follow this programme, (3 mins)

Step 3: Each person should introduce the other.

There are many creative methods for this purpose. The above is only one simple method. At the end of this introduction, trainer can get an idea about the reasons that motivated trainees to join the business start-up training programme.

- **Entry session:**

Baseline self-assessment format- “My Readiness to be an Entrepreneur”

Self-Assessment – My readiness to be an Entrepreneur

■ SECTION A: Personal information

1. Name	
2. Sex	
3. Age	
4. Date of birth	
5. Address	
6. Methods to contact	Mobile phone: _____ E-mail: _____ Land phone: _____
7. Educational qualifications	
8. Professional qualifications	
9. Working experience	
10. My own savings	a. YES / NO b. Amount (Rs)as at
11. My health	Physical health: GOOD / AVERAGE / BAD If AVERAGE / BAD, PI explain: Mental health: GOOD / AVERAGE / BAD If AVERAGE / BAD, PI explain:

■ **SECTION B: Personal / family strengths, weaknesses, opportunities and threats (SWOT)**

12. My personal strengths
13. My family strengths
14. My personal weaknesses
15. My family weaknesses
16. Opportunities available (current and future)	<u>To me</u> <u>To my family (which can affect my development)</u>
17. Threats (negative factors from external environment)	<u>Which affect me</u> <u>Which affect my family that can have repercussions on my development</u>

■ **SECTION C: Desires / Expectations / Future plans**

18. My interests / desires
19. My future expectations / plans	My guess My concrete future plan
20. Savings-related	a. Do I have my own savings? YES / NO b. If YES, amount – Rs..... as at c. Do I have a plan to save? YES / NO d. What is the plan?

SECTION D: Personal characteristics

21. Leadership	Am I a leader? YES / NO My justification:
22. Decision-making	Am I willing to make my own decision? (for me, my work and my future)
23. My will power and self-confidence	Am I sure that I have will power and self-confidence?
24. Working with people	Am I enjoying when working with people? YES / NO Justification:
25. Hard work / Working long hours	Am I ready to work long hours and work hardly? YES / NO
26. Outgoing personality	Do I have an outgoing personality? YES / NO

SECTION E: Skills / Experience

27. Do I know what kind of skills are needed to start and continue a business?	Do I know? YES / NO If YES, what are those skills?
28. Do I have computer skills?	Do I have? YES / NO If YES, what are those skills; in which packages?
29. What are the business skills do I have?	<u>Basic business skills</u> <u>Specific business skills</u>
30. What are the non-business related skills / experiences do I have?	<u>Non- business related skills</u> <u>Non-business related experience</u>
31. My work experience (If YES, give details)	<u>As a manager: YES / NO</u> <u>As a supervisor: YES / NO</u> <u>As another category of employee: YES / NO</u>

SECTION F: General

32. Am I ready to continue the full training course of Business Start-up?	<u>YES / NO</u> <u>If NO, please explain.</u>
33. Can I manage my other activities and find time to attend the full programme?	<u>YES / NO</u> <u>If NO, please explain.</u>

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Signature of the trainee

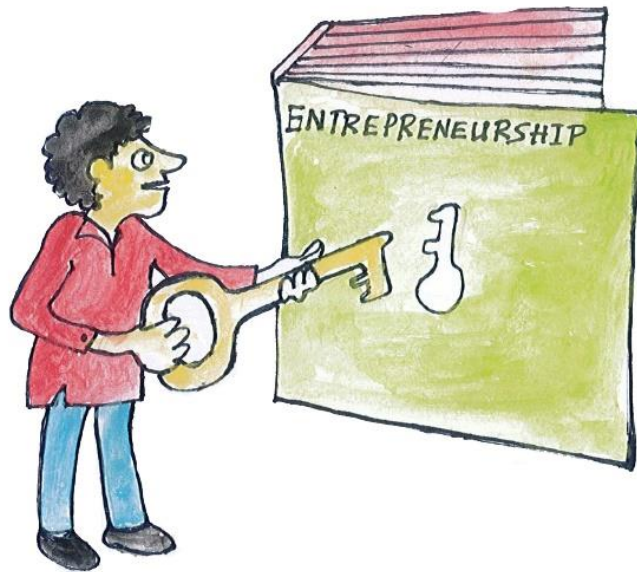
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Signature of the trainer

Special guidelines:

1. Help trainees to complete the assessment. Convince them that this is a vital document, which acts as a baseline information provider as well as an indicator about their readiness to be an entrepreneur. Therefore, completion of the assessment document with more accurate information is very important.
2. Explain about SWOT analysis. Some details are given below.
3. It is advisable to retain a copy of the completed assessment form with the Trainer / Training Institute for periodic reference / review.
4. SWOT is the shorten form of Strengths, Weaknesses, Opportunities and Threats. Strengths and Weaknesses are currently applicable internal factors which are under control of the potential entrepreneur / entrepreneur. "Ability to get friendly with outsiders quickly" is a strength of a person. Opportunities and Threats are currently applicable or futuristic external factors which are not under control of potential entrepreneur / entrepreneur. "Family's plan to migrate to Australia" is a threat to a trainee when business start-up is concerned. Explain them that this informational assessment shows the current status of each person (baseline). They should take steps to improve the strengths, reduce the weaknesses, capitalize over the opportunities and eliminate the threats as far as possible to improve their readiness to start a business at the end of the training.

1. Practical Entrepreneurship



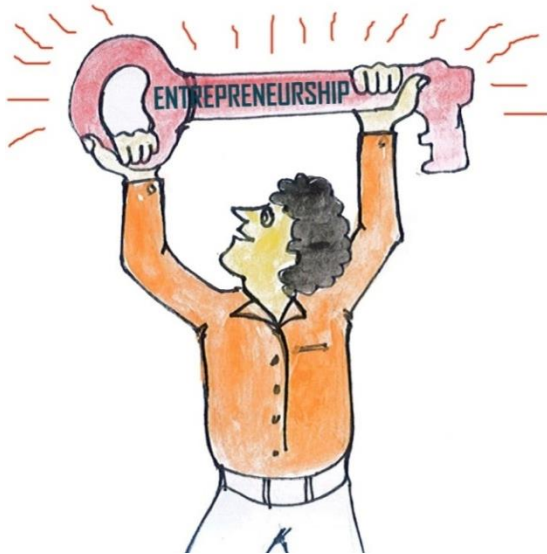
Starting a business is a common thought among many people. We also observe that people start new businesses in different sizes and different styles. The trend of starting businesses is now taking a different shape with the other developments. But, if we analyse the survival and the growth of the businesses, we can find many reasons to prove that we need a special type of mind-set, qualities, behavioural pattern, knowledge and skills to start a healthy business which will grow and sustain. Entrepreneurship is the collective term for all these aspects. Self-motivated people who think, act and start a business based on all these entrepreneurial aspects are the entrepreneurs. They change the whole destiny of the entire generation astonishing the others. This session helps us to understand the nature of practical entrepreneurship, and develop our entrepreneurial mind-set, behavioural pattern and skills required as a potential entrepreneur.

Module objectives:

At the end of this module, the trainees will be able to,

- ✓ develop their understanding on practical entrepreneurship, entrepreneurial mind-set, and related skills covering the following subject areas:
 - Power of entrepreneurship
 - Entrepreneur and entrepreneurship
 - Importance of entrepreneurship
 - Characteristics of an entrepreneur
 - Creativity& Innovation – Essential tools
 - Entrepreneurial competencies
 - Process of entrepreneurship
 - Wealth of an entrepreneur
 - Types of businesses
 - Legal modes of businesses,
- ✓ Perceive entrepreneurship, enterprises and entrepreneurs in a more understandable manner, and
- ✓ Establish practical readiness to start wealth building practices.

Session 1.1 - Power of entrepreneurship



True entrepreneurship is powerful. It can drive a person from rags to riches, unknown to the world famous, and the condemned in the community to the respected in the world!

A milking man to the richest man in America – Walmart founder's story



Sam Walton was born in to a poor family living in a farm. As a child, he helped his family



by milking their cows, bottling it and selling to the customers. Since the income was not sufficient, he sold newspapers as well. Even in the school, he supported the others in exchange for meals. He then joined the military. After passing a hard time from the childhood, Walton wanted to start a business. With a small amount of money he has saved from hard work and an amount of borrowed

money from his father-in-law, he purchased a small store at the age of 26 and expanded it as a chain of stores. Moving forward through ups and downs, Walton drove his small store to be the world's largest company in terms of revenue- Walmart. Walton's net worth exceeded US \$ 100 billion in 2015. He strongly believed that he could face challenges and continued his actions to reach his targets. This is called self-efficacy. He was a true entrepreneur who always emphasized the following statement.

“Commit to your business. Believe in it more than anybody else.”

His entrepreneurial spirit elevated him from a humble beginning of selling milk and newspapers to the highest level of success.

We can find many examples of this nature in every country. Nawaloka, Abans, Siddhalepa, and Maliban are only a few examples from our country.

Group discussion: What are the key thought provoking points in the Walton's story?

Assignment: Study about a Sri Lankan or foreign entrepreneur who rose to the highest success from humble beginning; identify the thought provoking points in his entrepreneurial journey and present them.

Session 1.1 - Power of entrepreneurship

Objective – At the end of this session, trainees will sufficiently understand the life-changing power of entrepreneurship.

Session	Time (mins)	Methodology	Training aids
a. Ask trainees to study the true story- A milking man to the richest man in America – Walmart founder's story	05	Individual study	Trainee workbook
b. Summarize quickly, engaging trainees c. Ask them about their feeling – get their responses randomly	05 05	Short presentation (1 – 2 slides) Discussion	PPT
d. Group discussion 1: What are the key thought provoking points in the Walton's story? - Facilitate the discussion - Write their ideas on the board	20	Discussion	Whiteboard
e. Assignment: Study about a Sri Lankan or foreign entrepreneur who rose to the highest success from humble beginning; identify the thought provoking points in his entrepreneurial journey and present them. - This is a take-home assignment.	150	Take-home assignment Discussion	Any source Internet Magazines News papers

<ul style="list-style-type: none"> - Give them 4 days to get ready for the presentation - Refer Special Guidelines & Formats. - Guide trainees what information to collect. - Individual presentations; 6 mins per presentation. <p>In-class total: 185 mins</p>			
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SPECIAL GUIDELINES & FORMATS

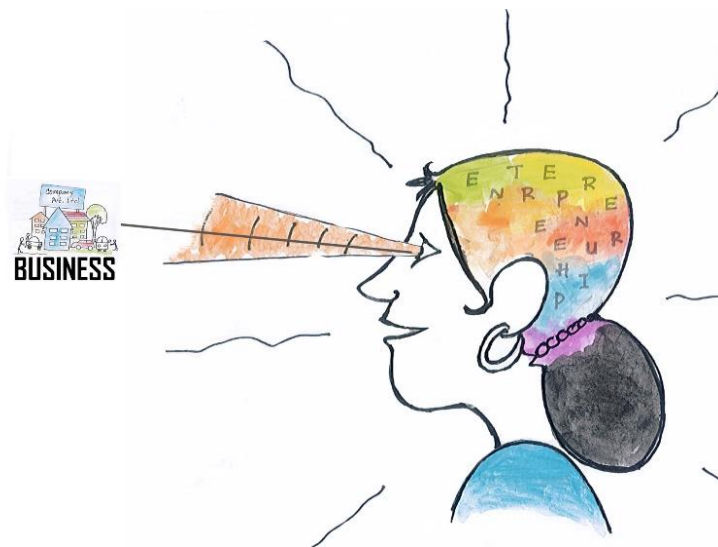
■ Session 1.1 - Power of entrepreneurship

Assignment: Study about a Sri Lankan or foreign entrepreneur who rose to the highest success from humble beginning; identify thought provoking points in his entrepreneurial journey and present them.

Special guidelines:

1. This is a take-home individual assignment. Give trainees 4 days to collect information about the entrepreneur and prepare their presentation. Inform them about the presentation day accordingly.
2. Give some guidance as to how they can collect information. (Example: Internet, business magazines, newspapers etc.)
3. Inform them clearly that the story presented by each trainee should have valuable points to listen and learn.
4. Their search should include the following information.
 - Name of entrepreneur
 - Business
 - How he started (at what level)
 - Major achievements
 - Important lessons
5. Time allocation for each presentation is 6 mins.

Session 1.2 – Entrepreneur and entrepreneurship



Who is an entrepreneur?

An entrepreneur is a person **who starts and carries out a business while taking the risk in order to make a profit.**

Consider the following cases.

Case 1: Janaki, after leaving the school, had a passion to start her own business. While thinking about a suitable business idea, she spotted a good business opportunity for three wheeler repairing in her area. After collecting a lot of information, she was convinced that it was the ideal business for her. Her uncle was an owner of a three wheeler repairing centre in a different area. After speaking to the uncle, Janaki stayed at uncle's house and learnt about repairing three wheelers over a period of 8 months.

When she was confident that she could manage, she started a small scale "three wheeler repairing centre" at her home. Her brother helped her initially, but she gradually developed her business recruiting employees when she felt needed. After three years, today her business has grown and eight employees are working. Entrepreneurs of Janaki's type are called **"Opportunity Entrepreneurs"**. They get in to businesses because they see it as the most viable option to build their kingdom. They are committed to take

the advantage of the opportunity and they have the tendency to develop their businesses to the highest possible level.

Case 2: Praveen found it difficult to manage only with his salary. He started a micro business of computer repairing in the week-ends because he could do it and he needed an additional income. Praveen was not attracted to the business world by seeing business opportunities. He was not interested in improving his business because he was satisfied with the additional amount of money he received from this business. Such entrepreneurs are called “**Necessity Entrepreneurs**”. They are compelled to do businesses because of the necessity. Unless they become “Opportunity Entrepreneurs” one day, necessity entrepreneurs do not have the tendency to develop their business.

Exercise: Describe about visible special characteristics embedded in Janaki when compared with Praveen.

Our aim should be to be opportunity entrepreneurs. They are the true entrepreneurs. They see a bright future through starting a proper business and growing it. They are confident that by developing the business, they can change their own destiny, the destiny of their family and the destiny of the world!

Such an entrepreneur identifies a business opportunity and transforms it to a practical business through innovative thinking, undertaking the risks and drives the business making **profits**, while developing **people** and protecting the **environment**.

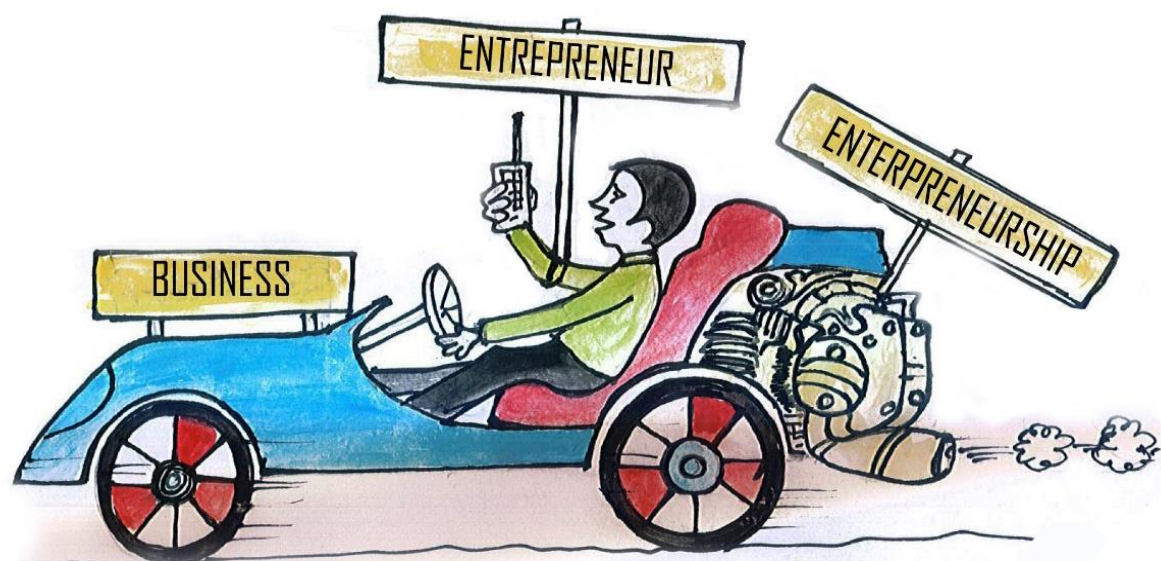
Think about the key words – profits, people, and environment; businesses should make profits, develop people and protect environment.



Profit making is the prime concern of an entrepreneur. But, simultaneously, they are accountable to develop people and protect the environment. Therefore, always businesses should precisely implement ethical strategies. There are many definitions for “the entrepreneur”. But, the above explanation provides a practical and simplified meaning of the term “entrepreneur”. Remember, an entrepreneur takes risks meaningfully; but, he is not a wild risk-taker. He also effectively pools together necessary resources in creating the business.

Entrepreneur creates value for the customers, employees, himself (shareholders) by offering novel products and services.

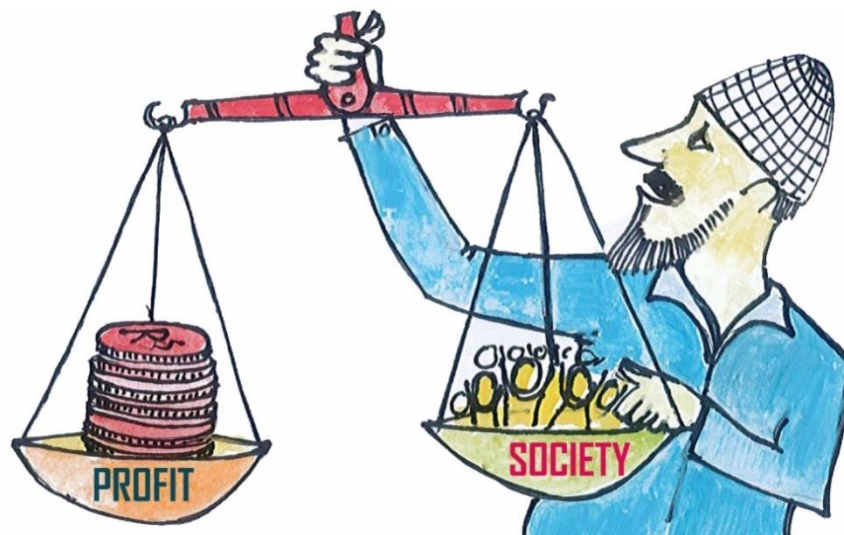
What is entrepreneurship?



Entrepreneurship is the essence embedded in an entrepreneur. It makes him to think like an entrepreneur, behave like an entrepreneur, and act like an entrepreneur. Entrepreneurship is like the software installed in the entrepreneur. It provides the power to drive the business. Entrepreneurship-based practices are called entrepreneurial practices. Similarly, we can think of entrepreneurial thinking, entrepreneurial approaches etc. The person becomes an entrepreneur because he has entrepreneurship in him.

We need to understand about the entrepreneurship, identify it, and develop it in order to practice it. When we have entrepreneurship and want to start a business, we become potential entrepreneurs until we start a business. When we start a business with entrepreneurship, we become entrepreneurs.

Social entrepreneurship & Social enterprises



Entrepreneurship drives the entrepreneurs to carry out businesses to reap economic profits by offering a solution to the marketplace. Those solutions mainly focus on needs and wants in the marketplace. Social needs are different to the normal marketplace needs and wants. Social needs can be associated with social gaps or social development. Social entrepreneurs establish social enterprises to address such social issues. Related entrepreneurship is called the social entrepreneurship. Social entrepreneurs aim at maximizing gains in social satisfaction (social profits) whereas the other entrepreneurs aim at financial profit maximization. Social entrepreneurs are less in number at present. But, today the world needs more social entrepreneurs to address the increasing number of social issues.

Examples:

- a. A business that produces handmade paper using elephant dung in order to reduce tree-cutting, convert waste in to a marketable product and generate employment opportunities for the area youths.
- b. An enterprise that offers computer training to the village youths in order to achieve its objective of developing employability of village youths.

Social entrepreneurs have social objectives. They also focus attention to the economic profit, not to build his wealth, but to sustain the enterprise. In many cases, the respective governments provide assistance to maintain and continue such authentic social enterprises.

Assignment 1: Study about a social enterprise operated in Sri Lanka and write its goal, objectives and activities.

An idea on different types of entrepreneurs

Entrepreneurs are clustered in to different types according to the operational features and methods. Some types are given below.

Type	Brief Description
Start-up entrepreneurs	Entrepreneurs who start new businesses; they are the founders.
Acquisition entrepreneurs	Entrepreneurs who run a pre-existing business; businesses have been established by start-up entrepreneurs;
Replicative entrepreneurs	Entrepreneurs who start businesses copying already existing ventures

Innovative entrepreneurs	Entrepreneurs who start new and growth-driven businesses, through innovative ideas
Digital entrepreneurs	Entrepreneurs who use digital-related technology in the business; they use digital marketing, digital tools for sales; websites; social media; on-line business strategies etc.
Women entrepreneurs	Entrepreneurs who are women; some challenges are different
Green entrepreneurs	Entrepreneurs who identify environmental issue as a business opportunity and carry out socially important businesses with risks, contributing to environmental protection and making profits; they are a sub-group of social entrepreneur category.

There can be more categories. These categories are not exclusive. It means that if Shivanthi has started a new creative online business with a purpose of providing advisory services to industrialists how to reduce air pollution done by their industries, Shivanthi falls in to several types as follows:

Woman entrepreneur + Start-up entrepreneur + Innovative entrepreneur + Digital entrepreneur + Green entrepreneur

Group exercise: Discuss about the specific challenges faced by different entrepreneur groups.

Intrapreneurs

Milinda is the Chief Executive Officer (CEO) of Sri Lanka Green Tea Company. He develops the company with his entrepreneurial capabilities. He is the internal entrepreneur, but not the owner or founder of the company. He is an employee there, but very powerful because he is the practical leader of this business. The founding owner

comes only for top level meetings. Such employees who have the full responsibility of managing businesses are called “intrapreneurs”.

Intrapreneur is a person with entrepreneurial capabilities, who manages and develops a business founded by another person. *Most of the CEOs of large business corporates are intrapreneurs. They may have an ownership share offered by the owner.*

Assignment 2: Find out and study the differences between an entrepreneur and an intrapreneur.

- This is a **take-home group assignment**. Group members should present findings to the others in the class.

Session 1.2 – Entrepreneur and entrepreneurship

Objective – At the end of this session, trainees will have a clear conceptual clarity and understanding about entrepreneur and entrepreneurship, social entrepreneurship and social enterprises, different types of entrepreneurs and intrapreneurs.

Session	Time (mins)	Methodology	Training aids
<p>a. Who is an entrepreneur?</p> <ul style="list-style-type: none"> - Ask about their views - Explain the definition given in the workbook - Ask them to read case 1 and 2; explain about “Opportunity entrepreneurs” and “Necessity entrepreneurs” <p>Exercise: Ask them to describe some special characteristics embedded in Janaki when compared with Praveen.</p> <ul style="list-style-type: none"> - Convince them about the importance of making profits in businesses, while developing people and protecting the environment. 	40	<p>Discussion</p> <p>PPT</p> <p>Short presentation (1 – 2 slides)</p> <p>Brief discussion</p> <p>Discussion</p>	<p>Trainee workbook</p> <p>PPT</p> <p>Whiteboard</p> <p>Trainee workbook</p> <p>PPT</p> <p>Whiteboard</p>
<p>b. What is entrepreneurship?</p> <ul style="list-style-type: none"> - Explain entrepreneurship - Discuss about the terms- entrepreneurial practice, entrepreneurial thinking, and entrepreneurial approaches 	25	<p>PPT-based presentation</p> <p>Discussion</p>	<p>PPT</p> <p>Flipchart</p> <p>Whiteboard</p>

<p>c. Social entrepreneurship & Social enterprises</p> <ul style="list-style-type: none"> - Using example 1 and 2, explain social entrepreneurship and social enterprises - Give some known/ popular examples - Discuss the difference between an ordinary business and a social enterprise (Refer Special Guidelines & Formats) 	25	<p>Discussion</p> <p>Positive questioning</p> <p>PPT-based explanation</p> <p>Discussion</p> <p>PPT-based discussion (1- 2 slides)</p>	<p>PPT</p> <p>Flipchart</p> <p>Whiteboard</p>
<p>d. Assignment 1: Study about a social enterprise operated in Sri Lanka and write its goal, objectives and activities of that enterprise.</p> <ul style="list-style-type: none"> - This is a take-home assignment. - Give them 4 days to submit the answer script. - Ask them to express their views on different social / environmental aspects found in the businesses. (15mins for this brief discussion) (Refer Special Guidelines & Formats) 	15	<p>Take-home assignment</p> <p>Discussion</p>	<p>Any source</p> <p>Internet</p> <p>Magazines</p> <p>Newspapers</p>
<p>e. An idea on different types of entrepreneurs</p> <ul style="list-style-type: none"> - Explain using the table given - Give practical examples 	10	<p>PPT-based presentation</p> <p>Discussion</p>	<p>Trainee workbook</p> <p>PPT</p>
<p>f. Group exercise: Discuss about the specific challenges faced by different entrepreneur groups.</p> <ul style="list-style-type: none"> - Divide trainees in to 5 groups. 	40	Brainstorming	Flipcharts

<ul style="list-style-type: none"> - Allocate a type of entrepreneurs to each group. - Ask them to write the specific challenges faced by the type allocated to them. (10 mins) - Guide them to present their findings. (5 mins per group) - Summarize giving trainer inputs. (5 mins) 		Presentation	
<p>g. Intrapreneurs</p> <ul style="list-style-type: none"> - Explain using the related text. - Give examples (Professional CEOs of large corporate businesses). 	07	PPT-based presentation Discussion	Trainee workbook PPT Whiteboard
<p>h. Assignment 2: Find out and study the differences between an entrepreneur and an intrapreneur.</p> <ul style="list-style-type: none"> - This is a take-home group assignment. - Decide about the deadline for group presentation. - Each group should present their findings to the large group. - Facilitate the responses of the large group after each presentation <p>In-class total: 195mins</p>	38	Take-home group assignment Presentation Discussion	Any source; Internet Magazines Newspapers

SPECIAL GUIDELINES & FORMATS

■ Session 1.2 – Entrepreneur and entrepreneurship

Social entrepreneurship and Social enterprises

Basic differences between an ordinary business and a social enterprise

Ordinary business	Social enterprise
<ul style="list-style-type: none">▪ Business idea is built on a market need.	<ul style="list-style-type: none">▪ Business idea is built on a social need.
<ul style="list-style-type: none">▪ Focus is to maximize personal profits.	<ul style="list-style-type: none">▪ Focus is to maximize social profits. (Marginal financial profits)
<ul style="list-style-type: none">▪ Major portion of ownership by individuals, or several persons	<ul style="list-style-type: none">▪ Mostly, an association, community group or similar common alliance owns (Although there can be individual owners)
<ul style="list-style-type: none">▪ Contribution to the environmental harm	<ul style="list-style-type: none">▪ Contribution to the environmental protection

Social entrepreneurship and Social enterprises

Assignment 1: Study about a social enterprise operated in Sri Lanka and write its goal, objectives of that enterprise.

Special guidelines

1. This is a take-home assignment.
2. Give them 4 days to submit the answer script.
3. Ask them to express their views on different social / environmental aspects found in the businesses. (15 mins for this brief discussion); If it is a paper re-cycling business, social/ environmental aspects would be reduction of tree felling for paper manufacturing, employment opportunities; If it is a solid waste-related business, it contributes to area hygiene.

Session 1.3 – Importance of entrepreneurship

Value of entrepreneurship for the country

Entrepreneurship has a high value because it can develop persons, families, communities and countries. In macro views, entrepreneurs largely contribute to employment generation and market dynamics, innovation, productivity and growth. Their contribution to the Gross Domestic Product (GDP) is considerable. Creators of the private sector are entrepreneurs. All countries agree with the fact that the private sector is the engine of the growth of that country. That view implies the value of entrepreneurs in the country's context.

Value of entrepreneurship for the person, family and the community

In micro view, true entrepreneurship clears the path way for a person to reach the highest success. Its practical validity is confirmed by the true stories on “rags to riches” entrepreneurs. Entrepreneurs can design their own future, while the others will have to depend on somebody else or some organization to help them out. If we are employed, our progress is controlled by our salary and the other job-related limitations. But, the entrepreneur is his own master. He is the decision-maker and the planner. His individual capacity is continuously growing because it is in use. He doesn't have idling time although there are relaxing moments. Personal productivity also reaches higher levels in this case. An entrepreneur generates employment for the others. Thus, the entrepreneur has the capability of developing his own life, family, and the others in the community.

Session 1.3 – Importance of entrepreneurship

Objective – At the end of this session, trainees will have a clear understanding about the importance of entrepreneurship for the country, self, own family and community.

Session	Time (mins)	Methodology	Training aids
a. Value of entrepreneurship for the country <ul style="list-style-type: none"> - Ask about their views on this matter. - Explain the facts based on the relevant text. - Use updated statistics if available, for further clarity. 	06	Interactive discussion	Trainee workbook Whiteboard
b. Value of entrepreneurship for the person, family and the community <ul style="list-style-type: none"> - Ask about their views on this matter. - Explain the facts based on the relevant text <p>In-class total: 15 mins</p>	09	Interactive discussion	Trainee workbook Whiteboard

Session 1.4 – Characteristics of an entrepreneur



Entrepreneurs are different from average people. They look at problems and issues in a different manner. They understand the value of wealth and the inner drives are pushing them to increase the wealth through providing solutions for issues of the people.

To be entrepreneurs, they need to possess a specific set of characteristics although each entrepreneur may not have the full set. However, possession of a set of key characteristics at different depths would be essential if someone wants to be a successful entrepreneur. The composition of the characteristics and the depths of the characteristics shape up his / her level of entrepreneurship. Level of entrepreneurship is a decisive factor in deciding the success level of the entrepreneur.



Story of Marcus- An inspirational entrepreneur

Marcus, although unemployed, wanted to be an independent youth and that thought generated a passion to earn money through an own economic activity. When spending time on the beach, he

noticed how sea shells were being thrown around the beach. His inner mind flashed a torch towards the fact that the rich women in the area admired small boxes covered with sea shells.

Inspired by these thoughts, he started going to the beach early morning in shivering cold, collected sea shells, and walked along the streets selling them. Rich women bought sea shells, used as buttons of clothes, and pasted them on the small jewellery boxes. Marcus was happy when he counted the money earned throughout the day. It was his tiny business started without any investment. His friends laughed at him sarcastically because it was like a childish activity. He continued it, got the assistance of a close friend who was also jobless. He, then started making boxes covered with sea shells and sold at several places, through a few people working for him.

This was the humble beginning of Marcus Samuel. He added another business of buying and selling petroleum products. When he wanted to register his business, he used the logo of a sea shell and named it “Shell”. Today, Shell Company is a giant business empire operating in many countries in the world!

Exercise 1: What are the specific characteristics of Marcus?

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.....

.....

Exercise 2: What are the other learnings we can get from this story?

.....

.....

.....

Self-Assessment of some key entrepreneurial characteristics:

Entrepreneurial characteristic	My situation	
	Satisfactory	Need to develop
1. Sees opportunities that can be converted in to profit-making ideas (Opportunity seeker)		
2. Takes risks consciously (Risk taker)		
3. Effectively mobilizes resources to achieve his expectations (Resource mobilizer)		
4. Initiates what he needs to do (Initiator)		
5. Thinks creatively and finds a practical way to realize it (Innovative thinker)		
6. Sets goals with more energy, happiness and positivity (Goal setter)		
7. Enjoys meeting challenges (Admirer of challenges)		
8. Takes responsibility about own decisions, acts and their consequences (Responsibility taker)		
9. Plans well, executes precisely and reaches success (Success chaser)		
10. Changes his strategies according to the changing environment, in order to reach his goal (Effective changer)		

Other vital characteristics of entrepreneurs

In addition to the above, there are more vital characteristics that can be seen in entrepreneurs. The next table contains these entrepreneurial characteristics. It would be helpful for us to assess our status pertaining to these vital characteristics also so that we can take action to remedy the gaps. The above format titled **Self-Assessment of some key entrepreneurial characteristics** can be used with the below characteristics for this purpose.

Success-focused determination	Market-oriented thinking
Positive thinking approach	Being intelligent
Strong self-confidence	Self-motivator
Being energetic	Commitment to work
Perseverance	Quality-consciousness
Resilience	Logical thinker
Good listener	Practical thinker
Effective decision-maker	Effective convincer
Solution-seeker	Patience
Visionary leader	Understands value of money

Field assignment: Three parts.

Part 1: Meet a successful entrepreneur in the area of the and collect information related to his / her entrepreneurial characteristics for presentation. Trainer will provide the guidelines and the format.

Part 2: Compare your own relevant characteristics with the entrepreneurial characteristics of the entrepreneur.

Part 3: Prepare an action plan to develop own gaps.

Session 1.4 – Characteristics of an entrepreneur

Objective – At the end of this session, trainees will have a concrete understanding about key entrepreneurial characteristics; witness how these special characteristics help entrepreneurs to succeed; understand the necessity to develop appropriate characteristics and take starting step to develop them.

Session	Time (mins)	Methodology	Training aids
a. Story of Marcus- An inspirational entrepreneur			
<ul style="list-style-type: none"> - Explain the story using storytelling skills 	10	Storytelling	Trainee workbook Whiteboard
Exercise 1: What are the specific characteristics of Marcus? <ul style="list-style-type: none"> - Ask them to write answers in the workbook - Ask 3-4 trainees to tell what they have written - Summarize 	10	Workbook-based exercise PPT presentation (1-2 slides) Interactive discussion	Trainee workbook Whiteboard PPT Whiteboard
Exercise 2: What are the other learnings we can get from this story? <ul style="list-style-type: none"> - Discuss with the whole group - Write on the board/ flip charts 	10	Interactive discussion	Whiteboard Flipchart

<p>b. Self-Assessment of some key entrepreneurial characteristics</p> <ul style="list-style-type: none"> - Ask trainees to read and understand the key characteristics - Explain if they need clarity - Guide them to complete the assessment sheet quickly but carefully - Cross-check with 4-5 trainees randomly asking what their “Need to develop” characteristics are. - Emphasize that in actual fact, most of the characteristics should have been marked as “Need to develop”, and individuals should focus on developing them. 	<p>08</p> <p>07</p> <p>12</p> <p>05</p> <p>05</p>	<p>PPT-based presentation of the assessment sheet</p> <p>Discussion</p> <p>Workbook exercise</p> <p>Question and answer</p> <p>Explanation and discussion</p>	<p>PPT</p> <p>Flipchart</p> <p>Whiteboard</p> <p>Workbook</p> <p>Whiteboard</p> <p>Flipchart</p>
<p>c. Other vital characteristics</p> <ul style="list-style-type: none"> - Present the characteristics given in the box to the class - Explain the selected qualities (After checking what they want more explanation for) - Emphasize that being potential entrepreneurs, all trainees should identify their gaps of those characteristics and take action to improve their quality. 	<p>35</p>	<p>PPT-based presentation</p> <p>Interactive explanation</p> <p>Interactive discussion</p>	<p>PPT</p> <p>Flipchart</p> <p>Whiteboard</p>

<p>d. Field assignment: Three parts.</p> <p>Part 1: Meet a successful entrepreneur in the area of the trainee and collect information related to his entrepreneurial characteristics.</p> <p>Part 2: Compare own characteristics with the entrepreneurial characteristics of the entrepreneur.</p> <p>Part 3: Prepare an action plan to develop own gaps.</p> <p>(Refer Special Guidelines & Formats)</p> <ul style="list-style-type: none"> - Provide the guidelines and the format given in this guide. - Present the format for collection of information and comparison - Present the format for Action Plan for Development (APD) - Explain how to complete APD - Decide the deadline for action plan preparation <p>In-class total: 140 mins</p>	38	<p>Field assignment (individual)</p> <p>Exhibition of Format for information collection and comparison</p> <p>Explanation on how to do</p> <p>Exhibition of Format for Action Plan for Development (APD)</p>	<p>Any source;</p> <p>Internet</p> <p>Magazines</p> <p>Newspapers</p>
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■ Session 1.4 – Characteristics of an entrepreneur

Field assignment: This has three parts.

Part 1: Meet a successful entrepreneur in the area of the trainee and collect information related to his entrepreneurial characteristics.

Part 2: Compare own relevant characteristics with the entrepreneurial characteristics of the entrepreneur.

Part 3: Prepare an action plan to improve shortcomings implied by own gaps.

Special guidelines

1. This is a field assignment. Each trainee should find out a successful entrepreneur in the area.
2. Ask them to meet the entrepreneur and explain about the purpose. The purpose is to collect qualitative information related to his entrepreneurial qualities for study purpose.
3. Explain them how to greet and start a good relationship with the entrepreneur to get information.
4. Ask them to collect the information using the Format – “Entrepreneurial Characteristics Study and Comparison” given below. Present the format for the trainees to copy.
 - ✓ Each trainee can select five (05) entrepreneurial characteristics from the set of characteristics learnt.
 - ✓ He has to ask indirect questions from the entrepreneur to check if he has the relevant quality.

Example: Trainee wants to check about decision-making characteristic of the entrepreneur. Then, he can ask who decides how much to buy when your stocks go down. Similarly, he can ask 3-4 questions focusing on decision-making and decide whether the entrepreneur has the decision-making quality.
 - ✓ If he has, trainee should indicate a right mark in the correct cell.

- ✓ After getting the information, advise the trainee to thank the entrepreneur for helping him.
- ✓ Trainee should fill the “Myself” column of the same format. If he has the same characteristic, he can indicate right mark, or if not, he has to mark “X”.
- ✓ Trainee should prepare an **Action Plan for Development (APD)**. The APD format is given below as the Format 2.

5. Explain them how to prepare the APD. Trainee can select 5 entrepreneurial characteristics to be developed from the following sets:

- ✓ Items marked as “Need to develop” in the Self-Assessment of some key entrepreneurial characteristics, and
- ✓ Characteristics marked as X in the Format 1.

Let’s say the first characteristic to be developed is “Self-confidence”. Trainee must record in as the first item in the first column of the Format 2. Steps that could be taken to improve self-confidence should be recorded in the second column against the relevant characteristic. Some steps that can be taken in this regard are:

- ✓ Learning exactly what self-confidence is from the trainer and the other resource persons,
- ✓ Reading books on self-confidence,
- ✓ Studying success stories of self-confidence,

6. Decide the deadline for preparation of the **Action Plan for Development (APD)** and inform trainees about it.
7. At this stage, each trainee should have an Action Plan for Development in respect of certain identified gaps. Explain them clearly that they need to develop all gaps in time to come although only 5 items are considered for study purpose.
8. It is more appropriate for the trainer to retain a copy of APD for monitoring purpose.

Format 1:

Entrepreneurial Characteristics Study & Comparison		
Entrepreneur's name:		Location:
Name of the business:		No. of employees:
Nature of business:		
Name of the trainee:		Date:
Characteristic	Entrepreneur	Myself
1.		
2.		
3.		
4.		
5.		

Format 2:

Action Plan for Development – Entrepreneurial Characteristics			
Name of trainee:		Date:	
Entrepreneurial characteristic	Actions to be taken	Starting date	Remarks / Progress
1.			
2.			
3.			
4.			
5.			

Session 1.5 – Creativity & Innovation (Essential tools)



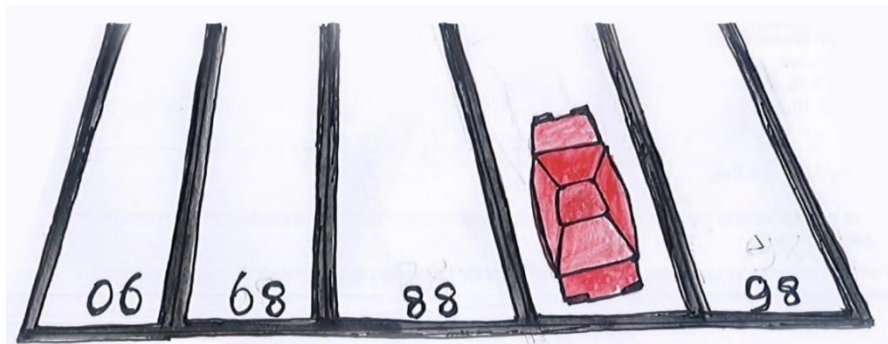
A common key quality of successful entrepreneurs

All successful entrepreneurs in the world, including Sri Lanka have some common qualities. One key quality that stands out is their creative thinking and innovativeness. True entrepreneurs are creative and innovative at different degrees. The people who are more creative and more innovative are more successful as entrepreneurs.

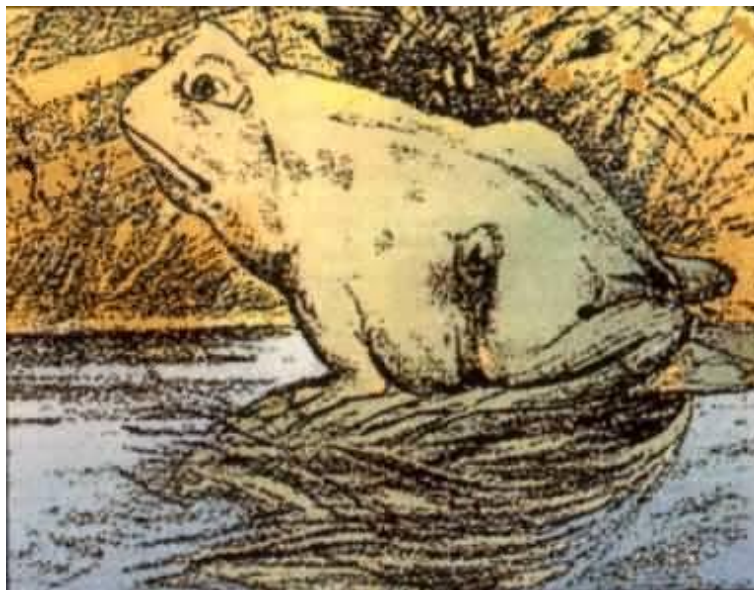
Entrepreneurs can balance their logical, methodical thinking (linear thinking) and insightful, creative thinking (non-linear thinking) better in looking at issues, situations, persons and processes. But, the average people use only the linear thinking.

What is the parking lot number where the car has been parked?

(10 seconds for the answer)



What do you see in this picture?



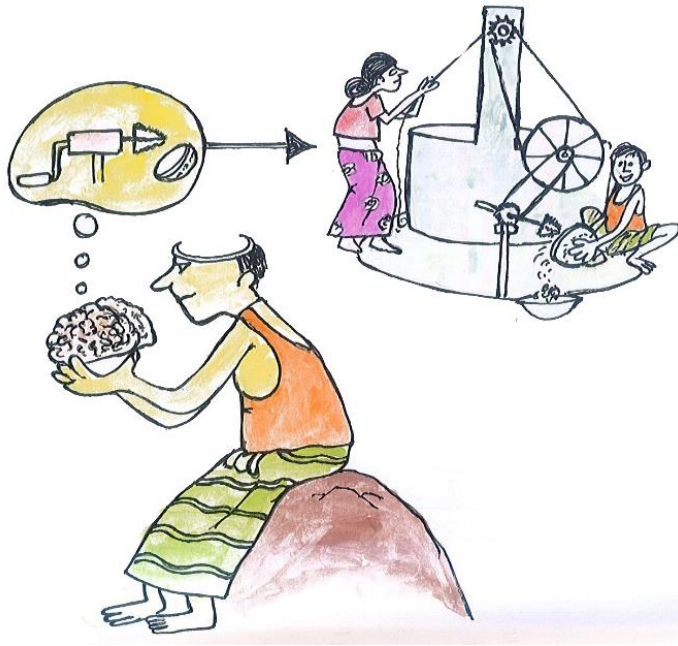
What is creativity? What is innovation?



Wilbur Wright and Orville Wright were brothers who were crazy about new imaginations. By seeing toys and its mechanics, the boys were fascinated about a flying machine from the childhood. In 1882, Wilbur and Orville opened up a bike shop. They assembled bicycles using their own designs and sold in the shop. But, this was a small business operation. However, they did not forget about their “flying machine craze”. They made basic structures, tried and failed. Their issue was fixing moving wings. They tried to comprehend how the birds are flying and kept on trying. Ultimately, they realized their dream, by inventing the first powered aeroplane.

However, their invention was not admired by their own country at the initial stages. They went to France and start the business with higher progress. With that reputation, they came back to their country USA.

Wright brothers were not conventional thinkers. From the childhood, they were thinking out-of-the-box. They observed birds to enrich their creative idea. Their creative thinking and passion paved the way for them to design and construct the first aeroplane. Their names were written in the history and the world today use large flights abundantly for transportation.



Creative thinking is the non-conventional thinking which focuses on finding solutions, making situations better, and facilitating human life. It can be crazy thinking, but with a purpose. But, if it is limited only to the thinking process, it is useless. Transforming this creative thinking into a practical usability, it is innovation. The starting point of an innovation is a creative idea. Products and services used by us

today have been innovated by somebody starting with a creative idea.

Table-mounted coconut scrapper:

Famous Sri Lanka entrepreneur Odiris Silva got a brilliant idea about a coconut scrapper which can be operated while standing. He was thinking about solutions for an issue faced by housewives that time, “the difficulty in using the conventional coconut scrapper”. He invented the table-mounted coconut scrapper which gave him a lot of recognition and money because it was a high demand household product.

Taxi-booking mobile app:

It was a creative thinking of Anthony Tan in Malaysia. When his friend was complaining about the hassle of hiring a taxi, Tan started thinking about a method where the potential passenger can book a taxi from home or where he is, using his mobile phone. Taxi-booking mobile app was the innovation resulted from that creative thinking. Won't it be wonderful that such a simple thinking has produced a massive and ground-breaking innovation which has changed the global vehicle hiring landscape?

It is clear that the entry point to innovation is creativity or creative thinking. It leads to new products and services. In addition, creative thinking is also the pathway for solutions

of many business-related issues and effectiveness and efficiency improvement of existing process/ situations of the business. Using the entrepreneurial creativity and innovativeness, the entrepreneur can comfortably find solutions, develop systems and practices and establish a unique competitive strength for his business. Creative approach contributes to entrepreneurial decision-making. It also facilitates making associations between previously unconnected domains. In fact, business persons who lack creativity cannot compete with creative entrepreneurs.

Good news is that creativity lives inside all of us, but overshadowed by ever establishing conventional and “single path” thinking. Further, research and real world stories show that anyone can learn to be creative unleashing the inner ability and developing it. Developing the hidden creative and innovative potential is crucial for all potential entrepreneurs.

In addition to their own creative thinking potential, entrepreneurs are capable of unleashing the creativity of the others also. They use techniques such as “Brainstorming” and “Mind-Mapping” for this purpose. These techniques help us to come up with creative ideas.

a. Brainstorming



Dog food manufacturing company had been experiencing low sales of its most researched product which was launched twelve months ago. The other products were selling fast. This new product was the result of many scientific and technological tests. The Chairman of the company wanted to conduct a brainstorming session to find out a solution for this critical sales issue. **Brainstorming is a creative thinking technique used for idea generation and finding solutions for issues.** When all employees of all ranks including security personnel gathered in to the hall at the correct time, the chairman started the session explaining about the purpose of the brainstorming session he was going to conduct. Then, he explained about the rules and ask all of them to come up with their ideas. Focus was to find out why it was not selling. Rules: all ideas including crazy ideas were welcome; no ideas should be ridiculed by anybody; all can freely express their views; one can develop an idea presented by another person; and, all ideas would be recorded. Marketing director pointed out that the only reason was attributed to the competition and their cheap alternatives. Similarly, many employees expressed about their views. The sanitary employee got up and told that the reason could be that the dogs didn't like to eat it. The other employees did not

laugh because the chairman had set out rules. However, chairman felt that it was an unconventional idea, but allowed to proceed till the end of the brainstorming session.

As the next step, chairman asked the pet division's officer to get three dogs and test whether the dogs like this particular food type or not. The officers kept three other fast moving varieties and this food stuff in different containers and allowed the dogs to eat. They sniffed this food stuff, showed a dislike, approached the other varieties and ate. It was practically proven that they actually did not like it. Then the research team did some development to improve the relevant quality of food and the company improved its sales. Sanitary employee's idea given during the brainstorming was the clue that guided the company to find a positive solution for this marketing issue.

Exercise 1: Describe about brainstorming? What are the key rules in conducting a brainstorming session?

Brainstorming:

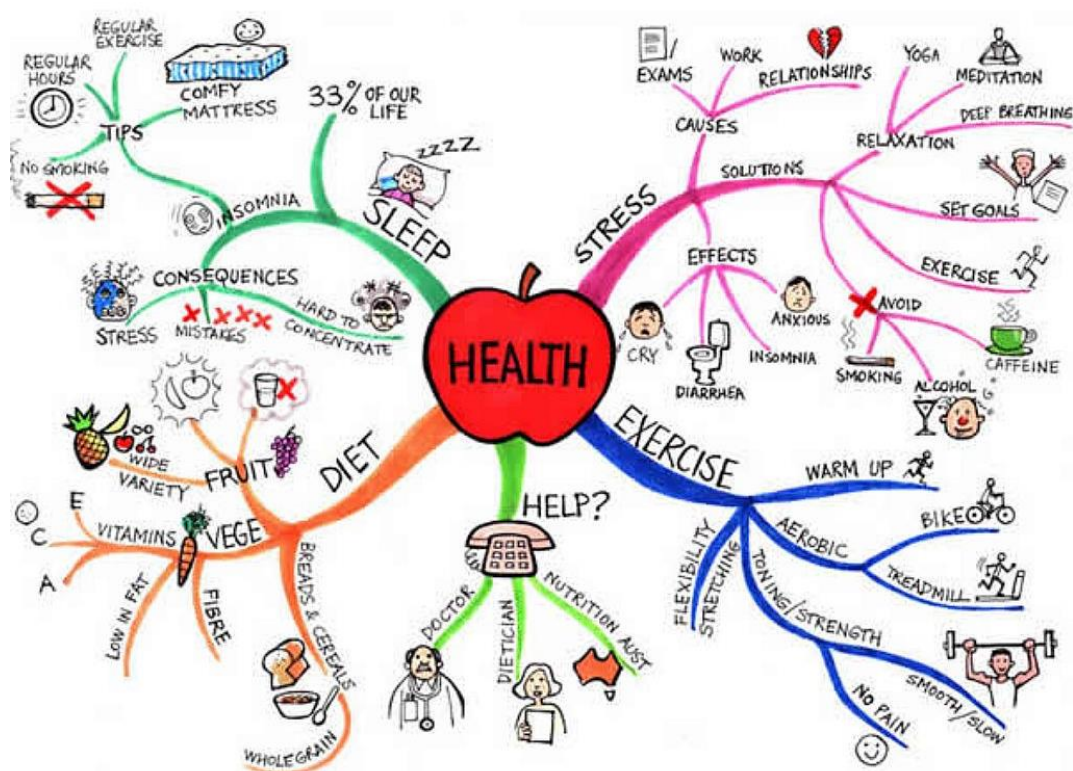
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Key rules in conducting a brainstorming session:

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.....
.....
.....

Learning activity: Conduct a brainstorming session on “**part-time income generation activities that we can do**”. Trainer will facilitate. Discuss about the learning points of the brainstorming session.

b. Mind mapping



Mind-mapping is another technique which unleashes creativity. It is a simple, but powerful graphical method, and it encourages thinking on both sides of the brain. It visually displays the various relationships among ideas and improves the ability to view a problem from many sides. This technique maps out our thoughts using key words that trigger associations in the brain to spark further ideas.

Learning activity: Learn how to do mind mapping. Your trainer will explain and guide you. Prepare a mind map for “starting my own business”.

Objective – At the end of this session, trainees will have a clear understanding about creativity and innovation, its relevance to entrepreneurship and they will have developed skills on practicing brainstorming and mind mapping.

Session	Time (mins)	Methodology	Training aids
<p>a. Common key quality of successful entrepreneurs</p> <ul style="list-style-type: none"> - Explain the trainees about creativity and innovativeness as a common key quality of all successful entrepreneurs. - Emphasize how creative thinking helps an entrepreneur in all his entrepreneurial life - Give an example to prove how creativity has raised the success level of an entrepreneur. 	06	<p>Discussion</p> <p>Interactive discussion</p> <p>Interactive discussion</p>	<p>Trainee workbook</p> <p>Whiteboard</p> <p>Trainee workbook</p> <p>Whiteboard</p> <p>Whiteboard</p>
<p>b. Parking lot problem</p> <ul style="list-style-type: none"> - Challenge trainees to tell the parking lot number where the car has been parked, within 30 seconds. - If they did not answer, declare the reply as 87. (Look from the other side; numbers range from 86 – 91) 	04	<p>Discussion</p>	<p>Trainee workbook</p> <p>Whiteboard</p>

<ul style="list-style-type: none"> - Point out that one should think creatively to solve that problem. (Out of the box thinking) <p>c. What do you see in this picture?</p> <ul style="list-style-type: none"> - Ask trainees what they see in the picture. - Most trainees may say it is a frog; rarely persons will see the head of the horse. - Point out that people with creative thinking can see the horse head. 	04	Discussion	Trainee workbook
<p>d. What is creativity? What is innovation?</p> <ul style="list-style-type: none"> - Using Wright Brother's story, explain the immense value of non-conventional thinking. - Explain meaning of creativity and creative thinking. (Refer the relevant text below) - Explain innovativeness and its entrepreneurial context. (Refer the relevant texts on Odiris table-mounted coconut scrapper and taxi-booking mobile app.) - Get the views of trainees - Ensure that trainees have properly understood about creativity and innovation. 	25	<p>Discussion</p> <p>PPT-based explanation</p> <p>Positive questioning and clarifying</p>	<p>Trainee workbook</p> <p>Flipchart</p> <p>Whiteboard</p> <p>PPT</p>

<p>e. Brainstorming</p> <ul style="list-style-type: none"> - Take the trainees through the story on dog food manufacturing company. - Ask them how the company found the solution and discuss the key points. - Explain the concept on “Brainstorming” and the key rules of conducting a brainstorming session effectively. (Refer Special Guidelines and Formats) - Ask them to complete the exercise given in the workbook. - Ask 2 – 3 trainees to read their answers, and clarify if the answer needed an adjustment. 	10	Storytelling	Trainee workbook
			Whiteboard
	10	Discussion	PPT
			Whiteboard
	06	PPT-based discussion	Trainee workbook
	05	Discussion	Flipcharts
<p>f. Learning activity: Conduct a brainstorming session on “part-time income generation activities that we can do”.</p> <ul style="list-style-type: none"> - This is a large group activity. - Refer Special Guidelines & Formats. - Facilitate, explaining the key rules of brainstorming. (Alternatively, trainer can ask a voluntary trainee to facilitate; facilitator must declare the key rules, but trainer can support.) 	15	PPT-based presentation Convincing explanation	Trainee workbook PPT

<ul style="list-style-type: none"> - Get the services of a voluntary trainee to record all ideas on a flip chart. - Conduct the brainstorming session. (45 mins) - At the end, verify with them if they can do a brainstorming session. - Discuss with them what points went well and what points should be improved. 	45	Facilitation	PPT
	30	Recording of ideas	Flipcharts
		Review discussion	Flipcharts
			Whiteboard
g. Mind mapping: <ul style="list-style-type: none"> - Introduce the concept - Explain how to do it. (Refer Special Guidelines & Formats) - Ask them questions to verify if they understood it. 	20	PPT-based presentation	PPT
		Interactive questioning	Whiteboard
h. Learning activity Prepare a mind map for “ starting my own business ”. <ul style="list-style-type: none"> - Start this as a large group activity. - Facilitate the mind mapping session. (Refer Special Guidelines & Formats) - Allow them to ask the trainer for more clarification. - Explain finer points if necessary. 	30	PPT-based presentation	Trainee workbook
	10	Mind mapping approach	PPT
			Flipcharts
			Whiteboard
	10	Discussion	

<ul style="list-style-type: none"> - Ask individual trainee to do a mind mapping for “starting my own business”, as a take home activity. <p>In-class total: 230 mins</p>			
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■ Session 1.5 – Creativity & Innovation (Essential tools)

Brainstorming:

Brainstorming is a popular creative thinking technique. It is used for creative idea generation and problem solving. This method can be used in a group setting or by an individual. The whole purpose is to create free mind-sets of people involved and get creative ideas on the issue.

Rules for conducting a brainstorming session:

1. Be clear about the issue or the theme taken for brainstorming. It should be clearly explained to the group members.
2. Facilitator can agree with the time period for the brainstorming session, depending on the nature of the issue.
3. Environment should be conducive for free idea generation. Arrange the environment in such a way that there will not be any types of disturbances.
4. Take steps to explain that all members are absolutely free to express their ideas, whether the idea looks crazy or non-conventional. Encourage wild ideas. Free mind-setting is important because the creative thinking is stimulated in a free mind-set.
5. All ideas are accepted and recorded in flipcharts. No idea is criticized, reviewed or rejected at this stage. If an idea is criticized, reviewed or rejected, group's mind-set can shift from generative stage to critical stage.

6. “Idea on idea” is acceptable. If a person gives an idea which is a developed version of an idea already expressed by another person, that idea is also acceptable.
7. One idea at a time. All members should contribute. A single member can generate any number of ideas. Quantity of ideas is important.
8. Make the idea collection record visible. The practice is to record all ideas on a flipchart or use post-it notes and paste them on a board so that all members can see how the number of ideas is moving up.

At the end of the brainstorming session, there is a considerable collection of creative ideas. This is called the ‘critical mass of ideas generated’. Pushing the participants to generate ideas beyond this level is unproductive. Brainstorming session is over at this point. In respect of business idea generation, the next steps will be to screen the critical mass, evaluate them in order to select about a handful of business ideas (5-10 ideas).

Tip 1: Trainer can perform a 5-minute sample brainstorming session with trainees to make them familiarized with the rules and the method. “What are the different businesses we can do with half sheets?” or a similar issue can be the problem for this sample session.

Tip 2: Emphasize that trainees can do brainstorming individually also. Individual should select his stress-free time, self-induce the free mind-set and find a disturbance-free environment for this purpose.

Mind Mapping:

Mind mapping is a visual information management tool introduced by Tony Buzan. It unleashes our visual thinking capacity and creativity. It supports us to generate creative ideas and arrange, organize, memorize and brainstorm ideas and information in a methodical manner. It visually displays different “idea relationships”, improving our ability to view a problem or a central theme from many sides. This mapping tool sparks further ideas in our brain.

A sample of a simple mind map:



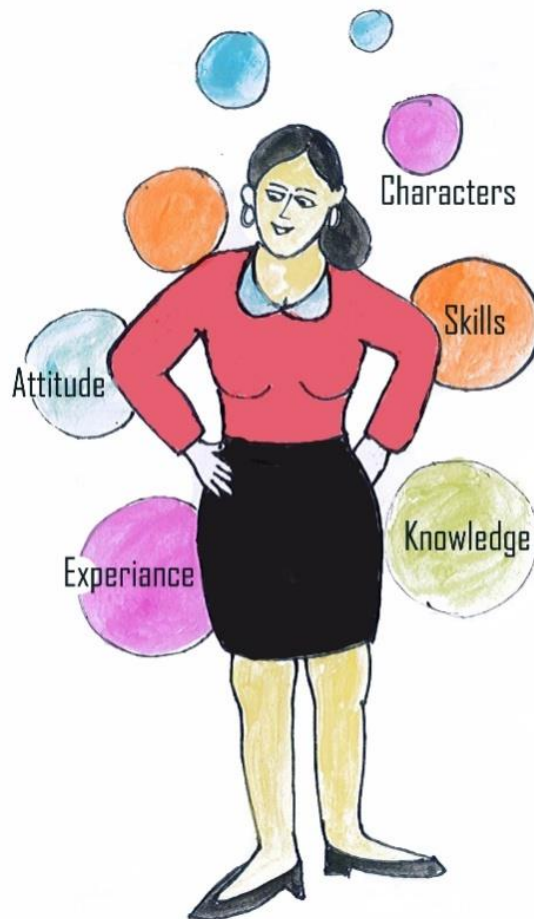
Method of drawing a mind map:

The core issue is the central idea of the mind map. The step-by-step process of drawing a mind map is given below:

1. Place a large sheet of paper (example: a flipchart) in front you.

2. Draw a circle in the centre of the sheet and write the central idea inside the circle. Draw a suitable symbolic image next to the circle to make the visual nature better. Using a colour for the image will enhance the visual effect.
3. Draw a few (basically four; but the number can differ) thick branches radiating outwards from the central image. It is better to use a different colour for each branch.
4. Think about the sub topics of the central theme and write them along these branches.
5. Draw additional branches radiating out from each main branch. These additional branches represent components of sub topics; write them along the each additional branch.
6. Keep adding the dividing branches and the sub components until you complete the mind map.

Session 1.6 – Entrepreneurial competencies



Entrepreneurs should have special capabilities to create a new venture, sustain it and develop it. These special capabilities are known as “Entrepreneurial Competencies”. If the entrepreneur A’s entrepreneurial competencies are higher than that of the entrepreneur B, Entrepreneur A will be more successful than the entrepreneur B. As potential entrepreneurs, we are required to develop these competencies because they are the driving forces in starting a new business and managing it.

Basically, entrepreneurial competencies can be divided in to two broad categories as follows:

Category 1: Personal Entrepreneurial Competencies	Category 2: Business-related Entrepreneurial Competencies (Business Initiation, Business Management & Business Development Competencies)
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1. Personal Entrepreneurial Competencies



Capability and driving factors embedded in the person's attitudes, motives, traits, self-image, behavioural features, social roles, "applied" knowledge, skills and similar aspects are the personal entrepreneurial competencies.

2. Business- related Entrepreneurial Competencies

Business- related competencies include three classes of competencies, namely "**business initiation**", "**business management**" and "**business development**". Most of them are competencies based on "Applied" knowledge and skills. If a person is committed, these competencies can be developed through learning and practice.

When we put altogether, the following chart will help us to understand what entrepreneurial competencies are.

Competency types & Key competency components

Competency type	Key competency components
Attitude-based and Behavioural	Growth mind-set; proactivity; entrepreneurial passion; information-seeking; perseverance; innovativeness; entrepreneurial identity; persuasive and influential, chasing behind quality; flexibility;
Skills-based	Resource mobilization skills; marketing skills; interpersonal skills; negotiation skills; convincing skills; financial literacy skills; decision-making skills; learning skills; strategic skills;
"Applied" knowledge-based	Entrepreneurship; idea generation and selection; business initiation; business management; business planning; marketing and sales; finance; technology; business development;

Special note:

Certain competencies can be inborn. People can develop most of these competencies through training and practice. Understanding the correct meaning and the shape of these competencies would be very useful in training and practicing them.

Game: Entrepreneurial competency match

This is a group game. In this game, we can assess the level of our understanding on the entrepreneurial competency types and the competency components of each type. This understanding is important for all potential entrepreneurs.

The trainer will explain how to perform the game and guide it.

Session 1.6 – Entrepreneurial competencies

Objective – At the end of this session, trainees will have an analytical understanding about entrepreneurial competencies. They will have a proper view that different competencies are very important at starting the business, managing it and developing it.

Session	Time (mins)	Methodology	Training aids
<p>a. Entrepreneurial competencies</p> <ul style="list-style-type: none"> - Start an interactive discussion asking trainees why businesses with the same base (same business type, same investment, same area,) reach different success levels. - Focus the discussion to emphasize the fact that different capabilities of entrepreneurs generate different success levels, explaining Entrepreneurial Competencies - Explain two broad categories of entrepreneurial competencies given in the workbook. - Ask questions from trainees to ascertain their understanding. Allow them to ask for more clarifications from you. 	12	<p>Interactive discussion</p> <p>Short PPT presentation (1 – 2 slides)</p> <p>Discussion</p> <p>Discussion</p> <p>Question and answer</p>	<p>Trainee workbook</p> <p>Whiteboard</p> <p>Trainee workbook</p> <p>PPT</p> <p>Whiteboard</p>

b. Competency types & Key competency components <ul style="list-style-type: none"> - Present the chart given in the trainee workbook and explain three competency types and their key competency components. - Conduct a brief interactive discussion to anchor the understanding of trainees. 	12	PPT-based presentation Discussion	PPT Flipchart Whiteboard
c. Entrepreneurial competency match game <ul style="list-style-type: none"> - Break the large group in to three sub groups; tell them that each group represents a Competency type out of three types studied. - Explain how the game is performed, using the instructions given in Special Guidelines & Format section of this guide. - Discuss about the success of each group; Declare the winner group. - Correct the game results enabling them to understand the lesson accurately. <p>In-class total: 54 mins</p>	30	Instructional explanation Grouping Instructional explanation; Providing pre-prepared flashcards; Starting the game; Stopping the game; Discussion; Discussion;	Whiteboard A large sheet of paper or a board; Pre-prepared flashcards;

■ Session 1.6 – Entrepreneurial competencies

Game: Entrepreneurial competency match

This is a group game which gives an indication about the level of entrepreneurial competency understanding of Trainees. Trainer has to prepare the activity material in advance.

Activity material:

21 flashcards (8"x4"); masking tape; a board

Method:

1. Write 3 competency types, one in each flash card. (Example: Attitude-based and behavioural on one flashcard; the other two on two separate cards)
2. Select 6 key competencies from each type. Write selected key competencies, one in each flash card.
3. These 21 flashcards are the pre-prepared material for the game.
4. Make 3 groups of trainees and explain about the game as per below steps.
5. All 21 flashcards, after mixing up is kept at the centre for the trainees to pick up flashcards when the game starts.
6. Each group should first select a flashcard with a competency type. The group represents the chosen competency type. Then all three groups should paste them on the board on a horizontal line, enabling each group to paste the subsequent flash cards one below the other.
7. Then the members of the groups should choose the six flashcards depicting the relevant key competencies and paste one below the other under the selected competency type.
8. When the allocated time is over, the game should be stopped.
9. The group which identifies a competency type with more accurate number of key competency cards is the winner.

Session 1.7 – Process of entrepreneurship



The process of entrepreneurship is the entrepreneurial process which moves from the idea search up to starting a new business and developing it. The whole process can be segmented in to four stages, one after the other as follows.

STAGE 1	STAGE 2	STAGE 3	STAGE 4
Deciding to become an entrepreneur	Developing a successful business idea	Moving from an idea to an enterprise	Managing and growing the business

Each stage requires different combinations of entrepreneurial competencies. When we know about these stages, the business creation pathway is clear and we can customize our efforts in each stage. Let us get a clearer picture about these four stages.

Four stages of entrepreneurial process

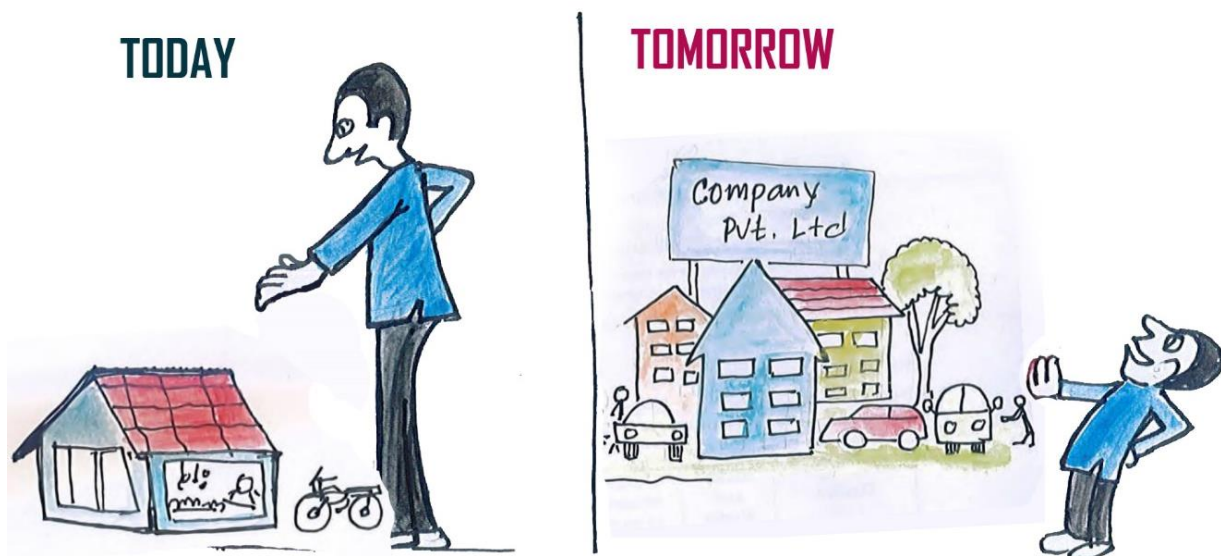
STAGE 1 Deciding to become an entrepreneur	STAGE 2 Developing a successful business idea	STAGE 3 Moving from an idea to a business	STAGE 4 Managing and growing the business
<ul style="list-style-type: none"> ▪ Pro-business mind set ▪ Motivation ▪ Learning ▪ Search for information on the business world 	<ul style="list-style-type: none"> ▪ Search for a business idea ▪ Selecting the best business idea ▪ Concept development 	<ul style="list-style-type: none"> ▪ Deciding to proceed ▪ Business planning ▪ Technology ▪ Motivation ▪ Resource pooling ▪ Launching the business ▪ Business strategy 	<ul style="list-style-type: none"> ▪ Managing ▪ Introducing and developing systems ▪ And many more

Session 1.7 – Process of entrepreneurship

Objective – At the end of this session, trainees will have acquired applied knowledge on process of entrepreneurship, together with a clear understanding on 4 distinctive stages of the process.

Session	Time (mins)	Methodology	Training aids
<p>a. Process of entrepreneurship</p> <ul style="list-style-type: none"> - Introduce the process of entrepreneurship. - Explain the four distinctive stages of entrepreneurial process as per the workbook. - Discuss about the advantages of segmenting the total process in to 4 stages. - Explain components that come under each stage. - Question briefly to ascertain if trainees have captured the relevant understanding. <p>In-class total: 30 mins</p>	30	<p>PPT-based discussion</p> <p>Interactive discussion</p> <p>Discussion</p>	<p>Trainee workbook</p> <p>PPT</p> <p>Whiteboard</p>

Session 1.8 – Wealth of an entrepreneur



Jack Ma was born in China in 1964. As a boy, he used to ride 70 miles on his bicycle to practice English with tourists as he had a target of learning English. He struggled four years with his college to pass the entrance exam. Jack Ma was continuously unsuccessful in employment seeking although he applied for 30 different jobs. He was turned down even by the police when he was present for the interview. When KFC came to his city, he applied for a job. There were 24 applicants, and all the others were selected. He also applied 10 times to Harvard Business School without success.



In 1994, he heard about the internet. He went to the USA with some friends and gathered some information about internet. He and his friends set up a small company to create websites for the other companies. In 1999, he founded a China-based business-to-business- marketplace site called “Alibaba” which became the world’s largest business in that category. He was announced as the one of world’s richest men. Jack Ma was ranked 2nd in the annual “World’s 50 Greatest Leaders” list by Fortune in 2017. His net worth was US\$ 42.7 billion in 2018.

The above true story inspires the entrepreneurs, explains about the entrepreneurial journey and acts as an eye-opener for wealth creation of successful entrepreneurs.

Entrepreneurs are wealth creators while they enjoy a comfortable life. In our practical world, we have seen or heard about many business people who are struggling to build their wealth.

Wealth building

Wealth is not **only** the value of lands, buildings, vehicles and other machineries. It is the **net worth** owned by the entrepreneur. In simple terms, net worth is the total assets minus total outside liabilities.

$$\text{Net worth} = \text{Total assets} - \text{Total outside liabilities}$$

Why wealth building for potential entrepreneurs?

One of the major goals of an entrepreneur is wealth building. Potential entrepreneurs should start practicing it as early as possible. In addition, the biggest problem people face in starting a business is the starting capital. We call it the seed capital. It is proven that people should avoid starting businesses with borrowed money at an interests from outside. Potential entrepreneurs should build up at least a part of the capital required and borrow money at a very comfortable rate for the balance. In all angles, it is advisable for the potential entrepreneurs to start wealth building early. After starting the business, when it is managed effectively, business will help them to increase their wealth fast.



This is another important part of our journey. We should clearly understand the concepts, practice the techniques and start building our wealth.

Let us start with assessing our current wealth situation using the “Personal Balance Sheet” tool.

Personal balance sheet template:

PERSONAL BALANCE SHEET AS AT(date)

Personal balance sheet contains the personal assets and the personal liabilities. When the total liabilities are deducted from the total assets, the result is the wealth owned by the individual at that time.

Personal balance sheet template:

Description	Value (Rs)
PERSONAL ASSETS	
<u>Non-current Assets (A)</u>	
Land and building	
Vehicles	
Furniture	
Jewellery	

Total Non-current assets	
<u>Long term investments (B)</u>	-----
Fixed deposit	
Treasury bills	
Shares	
Total long term investments	
<u>Total Current Assets(C)</u>	
Savings account balances	
Cash receivable from others	
Cash balance	
Total Current assets	
Total Assets (A+B+C)	

<p>Less: PERSONAL LIABILITIES</p> <p><u>Long Term Liabilities(X)</u></p> <p>Housing loans</p> <p>Other long term bank loans</p> <p>Vehicle leasing</p> <p>Total Long term liabilities</p> <p><u>Current Liabilities (Y)</u></p> <p>Temporary loans from friends/ relatives</p> <p>Other short term loans</p> <p>Total Current liabilities</p> <p>Total Outside Liabilities (A+B)</p>	
<p><u>Net Assets/ Equity/ Capital/ Wealth</u></p> <p>(Total Assets - Outside Liabilities)</p>	

Name:

Date:

Important:

- ✓ Potential entrepreneur should have the legal ownership of personal assets. Assets which are under the ownership of parents or another cannot be included in the balance sheet, although they are his future property.
- ✓ For some persons, the balance sheet value can be zero. It is o.k. What we want to examine is the current status of my wealth.
- ✓ After two years, we can prepare our personal balance sheet again and compare our wealth to see how it has moved. When preparing the personal balance sheet after two years, because our business is ongoing, business net worth can be added to the wealth indicated in the balance sheet to find out the total net worth. Net worth is another term for net wealth.

PERSONAL CASH-FLOW

It is important to know how money comes in and goes out every day, every week and every month. The record which shows this money movement is known as “Cash-flow”. Let’s see how we can record our forecasted cash-flow.

PERSONAL CASHFLOW FORECAST – For six (06) months

Description	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
Opening balance						
<u>Receipts / Inflows</u>						
From home						
From Income Generating Activity (IGA)						
.....						
Total receipts						
<u>Payments/ Out flows</u>						
Meals						
Traveling						

IGA expenses Loan Repayments 						
Total payments						
Net Cash Flow (Total cash receipts – Total cash payments)						
Closing Balance						

We have now assessed our current personal wealth and forecasted cash-flow for next 6 months. Let us now start practicing the following wealth development strategies to develop our wealth.

Wealth Development Strategies



Strategy 1: Reduction of personal expenses

We have a definite purpose of building our wealth.

Strong commitment to reduce personal expenses in all possible directions is a must.

Our expenses can be categorized in to three types:

- **Absolutely essential,**
- **Essential,** and
- **Not essential.**

We can reduce some expenses in a reasonable number of expense lines if we really want to. We need to think positively about our purpose and prepare a new list of expense lines after deciding the amount that we can reduce from each line.

The below template will help us in this regard.

	Expense line	Current Amount (Rs)	Amount after reduction (Rs)
1	Study fees to the training centre		
2	Meal expenses		
3	Mobile phone		
4			
5			
		Total:	Total:

The difference between these two totals is the amount that we can reduce from expenses. We need to save this money if we want to be successful.

Important guidance:

- ✓ Save this amount in a savings account of a bank. If you don't have, this is the time to start a savings account.
- ✓ It is vital to ensure that the money saved in the savings account is not withdrawn later. Remember, wealth building is the purpose.

Strategy 2: Increasing personal income

We may not have any personal income generating avenues at present. But, again, this is a necessary step to strengthen our path for entrepreneurship. Each of us should think about an actionable income generation activity while pursuing this training. It can be a part-time micro business activity and it will satisfy two purposes. Main purpose is to earn some money as a profit to support our wealth creation task. The other is to get a very basic first-hand experience about doing businesses.

Important:

- ✓ It should be an income generation activity that we can do without sacrificing our main training.
- ✓ It should be something we can start with a minimum capital.
- ✓ The profit should be saved in the personal savings account.

Example:

Minhaj is a potential entrepreneur. He is in the process of building his wealth. As learnt during his business start-up training, he managed to start a monthly saving of Rs.800.00 from his expenses. To increase his savings, he started an income generation activity of buying tea leaves in bulk from a tea estate and supplying it to the neighbourhood on retail basis. He used to buy 10 kg every month at Rs. 800.00 per kg. Selling price is Rs. 1,000.00 per kg. Other expenses associated with the business include Rs. 200.00 as the telephone charges and Rs. 300.00 as the traveling cost. Thus, he manages to earn a net profit of Rs.1,500.00 every month. The following template helps us to understand how we can calculate the net profit from a micro level business of this type.

Net profit calculation template for the income generation activity

Net profit calculation – Trading of tea leaves during the period(Month and the year)

		Rs.
Income – trading tea leaves		10,000.00
(10kg x Rs.1,000.00 per kg)		
Less:		
<u>Direct cost (Purchasing cost)</u>		<u>(8,000.00)</u>
(10kg x Rs.800.00 per kg)		
Gross profit		2,000.00
<u>Other expenses / Indirect cost</u>		
Telephone charges	- 200.00	
Traveling cost	- 300.00	(500.00)
Net profit		<u>1,500.00</u>

We can use the same template to calculate our monthly income from the income generation activity.

Assignment: Start a small income generation activity and save the profit of it in the savings account.

Strategy 3: Start and continue money saving on a regular basis

Saving habits of people in general are weak. Even if they save, their approach starts from spending from the income first. If there is a balance, then they may save. But, in most of the cases, they find new purchase requirements if there is a balance. Hence the saving formula of average people looks as follows:

$$\text{Income} - \text{Expense} = \text{Saving}$$

But, successful entrepreneurs have a different formula for saving as follows.

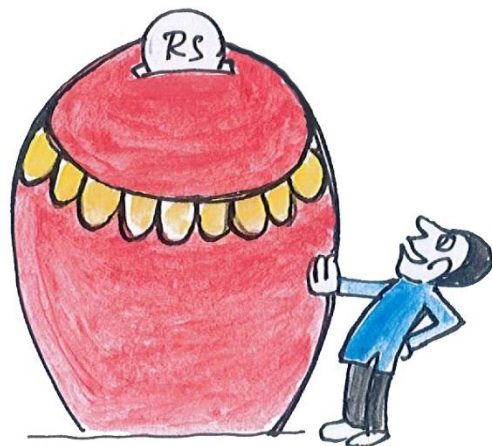
$$\text{Income} - \text{Saving} = \text{Expenses}$$

They first allocate the committed amount for saving and then plan how to manage the expenses with the balance. They also ensure that the saving is regular and they do not touch saved money unless it is desperately essential. Ultimate result is the increased amount of savings. Saving is not an option for the growth-bound entrepreneurs, but a necessity.

TODAY



TOMORROW



Learning activity: The trainer will explain step-by-step about the most promising method of money saving. Understand it and complete the following two statements.

- a. I can save Rs..... every hour. It amounts to Rs.per day. I will start saving this amount regularly.

b. I will have a total saving of Rs..... after 10 years from the start.

As a potential entrepreneur, it is very important to start practicing the saving method you learnt as soon as possible.

Strategy 4: Increasing net profits of the business

This will be applicable only after starting the business for which we are being trained now. We will be equipped with all relevant skills and knowledge regarding this strategy when we reach the business starting stage.

Individual exercise: My Dream Tree

Draw “My Dream Tree” in the space provided below.

It is a graphical presentation of our entrepreneurial success expectation after a certain number of years. We can determine the number of years. Parts of the dream tree are as follows:

Part of the tree	Components related to the individual life
Roots	My strengths, capabilities, opportunities, desires, hobbies, family support, and other positive factors; <i>(These are good roots, and mark them in one colour)</i>
	My weaknesses, gaps, threats, anti-entrepreneurial desires and hobbies, family expectations against entrepreneurial success, and other negative

	<p>factors; <i>(These are bad roots, and mark them in another colour)</i></p> <ul style="list-style-type: none"> - While good roots support healthy growth of my dream tree, bad roots act in the opposite manner. Therefore, it is very important to take action to eliminate or lessen the negative factors as far as possible, while strengthening positive factors.
Top with leaves and fruits	My net wealth; higher social recognition; happy family and similar things.
Trunk	Business start-up training, starting a business and developing it.

My Dream Tree:

Session 1.8 – Wealth of an entrepreneur

Objective – At the end of this session, trainees will have

- acquired motivated mind-sets to set the foundation to develop wealth,
- understood why they need to focus on developing their own seed capital,
- improved practical skills to prepare personal balance sheets and cash-flows,
- understood wealth development strategies,
- planned and commenced reduction of personal expenses,
- started practicing savings on regular basis,
- commenced/ planned to commenced income generation activities,

Session	Time (mins)	Methodology	Training aids
a. Wealth of an entrepreneur <ul style="list-style-type: none"> - Explain interactively Jack Ma's entrepreneurial story, highlighting his wealth development. - Give few more examples very briefly to motivate trainees in respect of amazing wealth building by entrepreneurs. <p>Refer Special Guidelines & Formats.</p>	12	PPT-based interactive discussion	Trainee workbook PPT Whiteboard
b. Wealth building <ul style="list-style-type: none"> - Explain clearly what wealth is, as per the content given in the Trainee Workbook 		PPT-based interactive discussion	Trainee workbook PPT Whiteboard

<p>Trainee workbook contents.</p> <p>Personal cash-flow</p> <ul style="list-style-type: none"> - Convince them the importance of knowing personal money circulation (money coming in and money going out) in the wealth building process. - Use the format given in the Trainee Workbook contents to explain the personal cash-flow. - Guide them to prepare it for the first month, forecasting the possible cash movements. - Ask them to complete it for six months. 	08	<p>PPT-based presentation</p> <p>Discussion</p> <p>Trainee activity</p>	<p>Trainee workbook</p> <p>Flipchart</p> <p>Whiteboard</p>
<p>e. Wealth development strategies</p> <ul style="list-style-type: none"> - Introduce four (04) wealth development strategies, as a foundation before moving to details of each strategy. 	08	<p>PPT-based interactive explanation</p>	<p>PPT</p> <p>Flipchart</p> <p>Whiteboard</p>
<p>f. Strategy 1: Reduction of personal expenses</p> <hr/> <ul style="list-style-type: none"> - Ask trainees if they believe that they can reduce their current expense levels. - Emphasize that all of us can and it is a must for our purpose (wealth building). 	06	<p>Interactive discussion</p>	<p>Trainee workbook</p> <p>Flipcharts</p> <p>Whiteboard</p>

<ul style="list-style-type: none"> - Explain three main categories of expenses (absolutely essential, essential and not essential). - Take a real example of expenses of a volunteer trainee and show how expense lines can be categorized under the above three types. - Ask him if he can reduce certain amounts while getting the responses of the others. - Exhibit the format given below (as well as in the Trainee book), use the above trainee's example and mark the expense figures. Conclude how much he can reduce in total. - Guide all trainees to do this exercise individually. (They can re-adjust their figures in a more accurate way later.) - Ask randomly, a few trainees about the total reduction. - Get their commitment to practice this reduction with immediate effect and save this amount in a savings account of a bank. Refer to important guidance given below. 	04	Interactive discussion;	Flipcharts Whiteboard
	02	PPT-based explanation Interactive discussion	Trainee workbook Flipcharts
	06		Whiteboard
	03	Instructional discussion	
	02	Verification	
	05	Interactive convincing discussion	

<p>i. Strategy 4: Increasing net profits of the business</p> <hr/> <p>This will be relevant only after starting the business. This part was included to let the trainees know that “increasing the net profits of the business” is a strategy for wealth development of entrepreneurs.</p>			
<p>j. Individual exercise: My Dream Tree</p> <hr/> <ul style="list-style-type: none"> - Process of completing this exercise: <p>Refer Special Guidelines & Formats.</p> <ul style="list-style-type: none"> - Explain that each trainee should draw his / her Dream Tree in the space provided in the workbook. - Emphasize the importance of completing this graphical exercise. - Explain the parts of the tree. - Guide them to draw, starting from roots, then the trunk and finally the top. - Discuss interactively benefits of drawing “My Dream Tree”. <p>In-class total: 214 mins</p>	<p>30</p>	<p>Individual exercise in the class room</p> <p>Explanatory and motivational discussion</p> <p>Instructional guidance</p> <p>Interactive and motivational discussion</p>	<p>Trainee workbook</p> <p>Whiteboard</p> <p>Flipcharts</p>

Session 1.8 – Wealth of entrepreneur

a. Strategy 2: Increasing personal income

Assignment: Start a small income generation activity and save the profit of it in the savings account.

Guidelines to start income generating activities

1. Convince trainees that all individuals should start a micro-business level income generation activity (IGA) with two objectives- earn an income in order to save, and to ensure that an amount of seed capital is being built through saving.
2. They should select a micro business that will not interrupt their training efforts and time.
3. They can collect many ideas for their potential IGA through many sources such as own thinking, discussing with family members and friends, looking around in the market, exploring community needs etc. Ideas pertaining to their skills, skills of family members, hobbies, skills that can acquire within a short time would be most desirable.
4. They need to focus more on selling aspect.
5. Trainees should continue this income generation activity, earn a profit and save the profit in the savings account.

b. Strategy 3: Start and continue money saving on a regular basis

Learning activity: Most promising method of money saving

Step-by-step approach:

1. Position the concept of this method in the minds of trainees.

Concept:

Saving money is the target. From the money we get, we allocate the amount to be saved and then spend for necessary things. Recall about the Strategy 1 (Reduction of personal expenses). We calculated how much we can save money from it (saving 1). Then, we planned or started to an income generation activity (IGA) to increase our personal income. The net profit is the amount we can use for saving (saving 2).

2. Decide about the amount that each trainee can save per week, taking the above facts in to consideration. However, this should be a realistic figure; not an imaginary one. Ask them to calculate the day rate of saving. They will understand that it is a small amount. **Ultimately, each trainee should decide about the practical saving amount and the frequency (per hour, per day or per week)**
3. Ask each trainee to complete the **sentence a** using that figure. Insist them to re-think about personal expense reduction and ways to increase net profit of the IGA in order to explore the possibility of increasing the written figure. If it can be increased, ask them to change the written figure accordingly. (This process is important because it anchors the value of saving, saving potential and their commitment to save in their inner mind.)
4. Ask for the relevant details of a volunteer and convince the rest of the steps through that example, involving all trainees in calculation and discussions. Let's say that Shehani decided that she can save Rs. 30.00 per day by reducing her expenses. She has also started a small income generation activity of making quality paper bags that earns a net profit of Rs. 900.00 per month. Thereby, the total amount she can save is Rs.60.00 per day.
5. Using the Excel calculation sheet (provided to the trainer), show them that Shehani's net savings after 10 years will be Rs..... This is a significant amount of money Shehani will have in her possession after 10 years. Interactively explain them

that Shehani will have a very small amount or may not have anything if she did not take conscious action as guided.

6. Ask each trainee to calculate their savings at the end of the 10th year and complete the **sentence b**.
 - ✓ Cross examine the values randomly.
 - ✓ Emphasize them that those figures would be more in reality because of the bank interests.
7. Convince them that the operational method is also important. They need to have a till or similar box which can be opened. They should save their money daily or every two days or in a practically possible manner. However, every week (weekly collection), the total money should be banked in the savings account opened.
8. They are required to show their bank passbook to the trainer periodically as an evidence of their progress as a potential entrepreneur. **This is a key performance indicator (KPI).**

k. Individual exercise: My Dream Tree

Draw “**My Dream Tree**” in the space provided in the workbook.

It is a graphical presentation of our entrepreneurial success expectation after a certain number of years. Trainee can determine the number of years. Parts of the dream tree are as follows:

Part of the tree	Components related to the individual life
Roots	<p>My strengths, capabilities, opportunities, desires, hobbies, family support, and other positive factors; <i>(These are good roots, and mark them in one colour)</i></p> <p>My weaknesses, gaps, threats, anti-entrepreneurial desires and hobbies, family expectations against entrepreneurial success, and other negative factors; <i>(These are bad roots, and mark them in another colour)</i></p> <ul style="list-style-type: none"> - While good roots support healthy growth of my dream tree, bad roots act in the opposite manner. Therefore, it is vital to take action to eliminate or lessen the negative factors and strengthen positive factors.
Top with leaves and fruits	My net wealth; higher social recognition; happy family and similar things.
Trunk	Business start-up training, starting a business and developing it.

Session 1.9 – Types of businesses

Businesses in Yatiyana

Yatiyana is a developing area that accommodates 10 – 15 businesses. Most prominent businesses are as follows:

	Business	Owner	Details
1	GREEN PLANET - Making compost manure	Fathima	Compost manure making process is continuous. Fathima relies on the past sales and the forecasts. Since the sales are less in April and December, she makes less quantities in those months.
2	DREAM mosquito nets - Making mosquito nets	Helen	Helen buys raw material when she gets a confirmed order from the customer. She customized the top frame (round or square) and the net material according to customer requirement. She doesn't stock nets for sale.
3	STAR Furniture Shop - Manufacturing furniture	Nelson	Nelson uses a different strategy. He also makes furniture only for confirmed orders. But, he has timber and the other material required. Customers can get their product made within a short period because raw material is available with Nelson.
4	CHAYA Beauty Salon - Hair dressing and beauty culture services	Achala	Achala has a clientele. She provides a professional service of hair dressing, floral arrangements, bridal dressing etc.
5	GAME KADE - Large grocery store	Raju	Game Kade has all types of commodities and consumer items required by the area community. Raju buys them from wholesalers and manufacturers.

Three main types of businesses

In general, any business will fall in to one of the following categories:

- a. Manufacturing
- b. Service
- c. Trading (Buying and selling)

Prominent businesses operating in Yatiyana depict all three types. Businesses 1, 2 and 3 are manufacturing businesses. But, we can see that three different strategies are used in them although all are in manufacturing sector. Business 4 is a service business while the last business of Game Kade is a buying and selling business, or a trading business.

It is important for a potential entrepreneur to understand all these differences. Each type has advantages and disadvantages. Let's understand them in more details.

1.9.1 Manufacturing businesses

As we observed in the above example, the production and marketing strategies can vary in 3 different ways in a manufacturing business. They are known as,

- ✓ Make to stock (MTS)
- ✓ Make to order (MTO)
- ✓ Make to assemble (MTA)

Make to stock (MTS)

Green Planet (business 1) falls in to this category. In such businesses, entrepreneur relies on past sales data to forecast consumer demand and plan the production accordingly. There are no readily available customers or confirmed orders. Drawback is the possibility of stock excesses or shortages.

Make to order (MTO)

Helen's DREAM Mosquito Nets (business 2) falls in to the MTO category. In such businesses, entrepreneurs manufacture only on confirmed orders. They don't manufacture and stock items. In fact, they buy the raw material only after the order confirmation. Hence, no stock excesses or shortages can take place. But, customer waiting time is more.

Make to assemble (MTA)

Start Furniture Shop (business 3) uses MTA strategy. In such businesses also, entrepreneur starts manufacturing only on order confirmation. But, he / she has raw material required. The drawback here is that unwanted parts or raw material has a cost. However, customer waiting time is short.

Specific features of a manufacturing business

- a. Having production flow chart
- b. Having factory layout planning
- c. Need to construct factory location bed on the government rules and conditions
- d. Opportunities for long term contracts
- e. More skilled and unskilled workforce than the other nature of businesses
- f. Approach to supply chain integration
- g. Extent of information sharing
- h. Access to production planning and technology planning
- i. Product research and development activities
- j. New product development related activities
- k. Possibility to apply for international and local product quality certifications

1.9.2 Service businesses

Let's focus our attention to Achala's CHAYA Beauty Salon. It provides a range of services. Such businesses are service businesses. Like manufacturing businesses offer tangible products, service businesses offer services to their customers. Services are also products, but intangible, no physical form. Most valuable inputs in producing a service are professional or technical skills, expertise, and methodologies.

Characteristics of a service business

a. Perishability

Service is highly perishable and time element has great significant in service marketing. A service can't be stored.

b. Fluctuating demand

Product demand also can fluctuate. But, service demand is fluctuating in a high degree.

c. Intangibility

Unlike product, service can't be touched or sensed, tested or felt before they are completed. A service is an abstract phenomenon.

d. Inseparability

Personal services can't be separated from the individual.

Example – Hair cut is not possible without the presence of an individual. A doctor can only treat when his patient is present.

e. Heterogeneity

Non-uniformity in quality or standards, and the service fee (price) are features in service businesses. A product quality can be physically tested and it is the same for a single manufacturing process. But, service is created for individual customers and rendered separately. Quality can differ from case to case. A doctor can charge much higher fee to a rich person and a much low fee to poor patient for a similar service.

f. Pricing of services

Pricing decision about services are influenced by perishability, fluctuation in demand and inseparability. Pricing of service is depended on demand and competition where variable pricing may be used.

1.9.3 Trading businesses

Merchandising business, and buying and selling business are synonyms to trading business. This is easiest type of business to start. There is no manufacturing process or service creation process here. Basically, such businesses buy products from wholesalers at whole sale price and sell at retail price without making any change to the product. The difference of prices is the Gross Profit Margin. There are some other costs or expenses involved in doing the sale. When the relevant cost is deducted, that margin is called the Net Profit Margin.

Generally, the governments don't encourage or provide special business support schemes for buying and selling businesses.

Session 1.9 – Types of businesses

Objective – At the end of this session, trainees will be able to,

- ✓ explain about the main types of businesses,
- ✓ analysis the type of a business showing whether it belongs to manufacturing, service or trading,
- ✓ explain three main strategies used in manufacturing businesses, and
- ✓ analyse the features, advantages and disadvantages of different business types.

Session	Time (mins)	Methodology	Training aids
Types of businesses <ul style="list-style-type: none"> a. Businesses in Yatiyana - Ask trainees to read the relevant text given in the workbook. - Discuss with them the contents focussing on three main types- manufacturing, service and trading. - Discuss about the three different strategies of manufacturing business relating to business 1, 2 and 3 of Yatiyana. - Ask them to give 2-3 examples for each type. - Add some well known examples from Sri Lanka. - Give some well known examples for three different 	40	<p>Discussion</p> <p>Short presentation (1 – 2 slides)</p> <p>Brief discussion</p>	<p>Trainee workbook</p> <p>PPT</p> <p>Whiteboard</p>

<p>strategies in manufacturing-MTS, MTO and MTA.</p> <ul style="list-style-type: none"> - Ask them to go through the specific features of manufacturing businesses. - Explain what they cannot understand. <p>b. Service businesses</p> <ul style="list-style-type: none"> - Explain about service businesses with examples. - Instruct a named trainee to read the first characteristic of service business and ask the others to explain what that does mean. - Repeat the same process to explain the list of characteristics of a service business. <p>c. Trading businesses</p> <ul style="list-style-type: none"> - Using the text, explain the contents and discuss the vital points with trainees. <p>In-class total: 40 mins</p>			
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Session 1.10 – Legal modes of businesses



Business registration

We need to register our businesses to get legal permission to carry out business activities. There are different legal modes of businesses permitted in Sri Lanka. Each mode has its advantages and disadvantages in comparison to the other modes. Similarly, the entrepreneur can decide what legal mode is more appropriate for his/ her business depending on some factors, including level of the business, nature of it, business objectives, advantages of the particular business mode etc. Depending on the mode, businesses can be registered with either local Divisional Secretariat Office or the Office of Registrar of Companies located in Colombo. The registration procedure differs with the mode of registration.

Three basic forms of business registration

In respect of the private sector businesses, there are three basic forms of business registration as follows.



Business registration mode 1: Sole Proprietorship

Features:

1. A significant number of small businesses start out as sole proprietorship entities.
2. The business is owned and managed by an individual.
3. The single owner should carry out the total business operation – planning, organizing, resource mobilizing, arranging finances etc.
4. Owner is the decision maker in all aspects.
5. He / she owns the assets of the business.
6. He / she owns the profits generated by it.
7. Owner and the business becomes a single entity in the eyes of the law and the public.

Advantages:

- ▶ This is the easiest and least expensive mode of registration to organize.
- ▶ Owner is in total control of the business and has the freedom to take appropriate decisions within the boundaries of the law.
- ▶ All income generated by the business belongs to the owner.
- ▶ It is easy to dissolve the business, if desired.

Disadvantages:

- ▶ The total liability of the business is on the shoulder of the sole proprietor, and he / she is personally responsible for all debts against the business in front of the law. Business and personal assets are at risk in case of liability issues.
- ▶ Raising funds for business operation may be at a disadvantage and the owner is often compelled to using funds from personal savings or consumer loans.
- ▶ Attracting high quality, experienced employees is difficult.

Business registration mode 2: Partnership**Features:**

1. Ownership is shared by two or more persons. They are called business partners.
2. This mode is also on par with sole proprietorship. Law does not distinguish between the business and its owner partners.
3. It is important for the partners to have a legal agreement that specifies the following:
 - Ownership share of each person
 - Contribution of each in terms of time, expertise, and capital formation
 - Profit share entitlement of each partner
 - Scope of operational responsibility
 - Method of dispute resolution
 - Method of admission of future partners
 - Basis of partner removal – forced and voluntary

Advantages:

- ▶ Partnership businesses are also relatively easy to establish; however, time and effort should be invested in developing the partnership agreement.
- ▶ Fund raising ability is increased with the increased number of owners.
- ▶ The business can benefit from partners who have complementary skills.

Disadvantages

- ▶ Partners are jointly and individually responsible for the total liabilities and debts of the business.
- ▶ Partners are jointly and individually liable for the actions of the other partners within the business context.
- ▶ Profits must be shared with other partners.
- ▶ Disagreements can occur because decisions of several partners should be considered.
- ▶ There can be limitation factors for the life period of a partnership business; it may end upon the withdrawal or death of a partner.

Business registration mode 3: Private Limited Companies

Introduction:

'Private limited company' mode is the more advanced form of business registration. Unlike the sole proprietorship and partnership businesses, private limited company is considered as a separate legal entity by law. Under the new companies act, even ONE shareholder can register a limited liability company. An entrepreneur has to follow the standard procedure to register private limited company. Registration authority is the Registrar of Companies. Such a company should have directors and a secretary. Basic features of this mode are given below.

Features:

1. Shareholders– A minimum number of 1 shareholder up to a maximum number of 50 shareholders can start a private limited company as per the provisions of the Companies Act.
2. Directors– Directors are appointed from shareholders. A private company needs to have at least one director. The number of directors can be decided according to the necessity of the company.

3. Limited Liability– The liability of each shareholder is limited. It means that if a private limited company is required by the law to settle a liability under any circumstances, its shareholders are liable to settle it using company owned assets, but their personal assets are exempted. Therefore, personal individual assets of the shareholders are not at risk.
4. Name– It is mandatory for all the private companies to use the term **private limited** after its name.
5. Perpetual succession– The Company keeps on existing in the eyes of law even in the case of death, insolvency, the bankruptcy of any of its members. This leads to the perpetual succession of the company. The life of the company keeps on existing until the legal liquidation is done.
6. A private company should have a company secretary.
7. Keeping accounts and performing an annual audit are statutory requirements.

Session 1.10 – Legal modes of businesses

Objective – At the end of this session, trainees will have a clear understanding about three main categories of business registration; features, advantages and disadvantages of sole proprietorship and partnership, and the features of private limited companies.

Session	Time (mins)	Methodology	Training aids
Business registration <ol style="list-style-type: none"> Open up a discussion to extract what the trainees know about business registration. Summarize the contents given in the trainee workbook under business registration. Introduce the three basic forms of business registration in Sri Lanka. 	08	Interactive discussion PPT-based presentation	Trainee workbook Whiteboard PPT
Business registration mode 1 : Sole Proprietorship <ol style="list-style-type: none"> Explain, with examples what a sole proprietorship business is. Discuss about its features. Discuss about its advantages. Discuss about its disadvantages. Summarize the important points. 	15	PPT-based presentation Discussion	PPT Flipchart Whiteboard

Business registration mode 2 : Partnership a. Explain, with examples what a partnership business is. b. Discuss about its features. c. Discuss about its advantages. d. Discuss about its disadvantages. e. Summarize the important points.	12	PPT-based explanation Discussion	PPT Flipchart Whiteboard
Business registration mode 3: Limited Liability Company a. Explain, with examples what a limited liability company is. b. Discuss about its features. c. Summarize the important points. In-class total: 50 mins	15	PPT-based explanation Discussion	PPT Flipchart Whiteboard

Session 1.10 – Legal modes of businesses

1. Research some well- known examples of different legal modes and quote them as examples.
2. Collect some practical insights from possible sources and quote them to enrich the lessons.

End of Trainer Guide 1
