

FOOTSTEPS

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ENTREPRENEURSHIP



IN THIS ISSUE

- 3 What makes a successful business?
- 6 Choosing your business idea
- 10 Why do women earn less than men?
- 14 Turning waste into wealth
- 16 Book-keeping for beginners
- 18 How to write a business plan

IN THIS ISSUE

FEATURES

- 3 What makes a successful business?
- 5 Why my church is involved with business
- 6 Choosing a winning business idea
- 8 Adding value to boost profits
- 10 Why do women earn less than men?
- 11 Empowering women in north-east Brazil
- 14 Turning waste into wealth
- 16 Book-keeping for beginners
- 18 How to write a business plan
- 20 Protecting livelihoods from disasters
- 21 Self-help groups: creating capital together

REGULARS

- 5 BIBLE STUDY: Godly attitudes to business
- 17 CHILDREN'S ZONE
- 22 RESOURCES
- 23 COMMUNITY
- 24 INTERVIEW: Rethinking waste in DRC

TAKE AND USE

- 12 POSTER: How to complete a cash flow forecast

FOOTSTEPS

ENTREPRENEURSHIP

Some years ago when I started working at Tearfund, my department took part in a fundraising challenge. We had to sell products or services to other Tearfund staff to raise money for Tearfund's relief and development work.

My team realised that Tearfund staff very much enjoyed eating cake. We therefore decided to offer a selection of cakes that we would make to order.

This seemed a good idea at the time – but our small business experienced many problems. We discovered that the ingredients for making the cakes individually were costly, and we were not making much profit. We also had not realised how much extra time we would need to bake the cakes. I remember staying up until midnight one night to fulfil an order!

Another team taking part in the fundraising challenge was wiser. They also realised that Tearfund staff loved cakes. But the team members knew they did not have much extra time for baking. They found a company selling ready-made doughnuts in bulk, and decided to sell them on at a higher price. They chose several days for doughnut sales and advertised these well, taking advance orders. With very little effort on their part, this team made far more money than my team. They had shown wisdom in analysing their assets, identifying a market, buying in bulk, pricing their product and marketing their goods.

The above is just a trivial example. Starting an actual business can be challenging, but it can also bring great social and financial rewards. This edition of *Footsteps* is on the topic of entrepreneurship. It covers practical questions such as how to come up with a great business idea (pages 6–7), how to manage your finances (pages 12–13 and 16) and how to write a business plan (pages 18–19). It also explores challenging issues such as barriers to women's economic empowerment (page 10) and how to protect livelihoods from disasters (pages 20–21). And throughout, we feature inspiring case studies of entrepreneurs from Kenya, Guatemala, Nigeria, the Democratic Republic of Congo, Brazil, Nepal and Pakistan.



Zoe

Zoe Murton – Editor

📷 Cover shows a woman selling eels and other fish in Hsipaw, Myanmar. Photo: Andrew Philip



by Claire Hancock

WHAT MAKES A SUCCESSFUL BUSINESS?

Everyone deserves the opportunity to earn a livelihood, provide for their family and support their communities. Jobs and economic opportunities are a vital pathway out of poverty. For many people, starting a business of their own can be empowering and life-changing. However, great talent and good intentions are not necessarily a guarantee of a successful business.

WHAT DOES BUSINESS SUCCESS MEAN?

A **business** is any organisation that makes goods or provides services. There are many types of business. These range from small enterprises owned and run by just one person, through to large companies which employ thousands of

staff all over the world. An **entrepreneur** is someone who sets up a business.

One of the most important aspects of business success is earning a **profit**. A profit is the money you have left when you have received all of your income and have paid all of your operating costs and loan repayments during a certain period. Small businesses that do not make a profit will eventually have to close. However, there is a lot more to success than just financial returns.

Some businesses operate as a social enterprise, which creates social as well as financial benefits. These businesses will often accept lower financial returns in order to bring about greater social impact. For example, the company

Sanergy uses a business approach to tackle the sanitation crisis in Kenya by making hygienic toilets affordable and accessible in Nairobi's slums.

Business success is also determined by how ethically a business conducts itself. Businesses can choose to follow environmentally responsible practices and provide fair wages and good working conditions for any employees.

WHAT DOES A BUSINESS NEED TO SUCCEED?

There are a number of common skills and attributes that a successful entrepreneur and/or business will display:

- **Motivation and attitude:** It takes time and effort to start a new business and begin making a profit. It is important to have a clear understanding of the reason you want to start a business, and the passion and positivity to stay motivated and see the business succeed.
- **Business plan:** Successful businesses need to have a clear business plan, which gives an outline of the business and how it aims to achieve its goals. It needs to be simple and concise, and to show an understanding of the market (eg who you will be selling to and how many other companies are already selling similar products). It should also explain how the business aims to make money, and over what time period.
- **Good record-keeping:** In order to understand whether your business is on track for success, it is important to keep good records. These records will help you to manage your business on a day-to-day basis and identify potential challenges that need to be addressed.



📷 How will you make your business stand out from the competition? Photo: Andrew Philip

- **Organisation:** Being organised will help you stay focused and complete the tasks that need to be done for your business to flourish.
- **Ways of managing risk:** Your business can be threatened by unpredictable weather and other forces outside your control. Find out about the likely risks you may face and ways to minimise or manage them (see page 20). This will help reduce the damage they could cause to your business.
- **Awareness of competition:** Understand the market in which you are operating. There will be other existing businesses that will be competing with you for customers. Be creative and think about how you can make your business stand out from others.
- **Consistently high-quality goods or service:** Customers want to know that you will provide the same high-quality goods or service each time they visit your business. If you do this, they will be more likely to come to you again the next time!

WHY DO SOME BUSINESSES FAIL?

Just having a good idea and motivation is no guarantee of success. Here are a few common reasons why businesses can fail:

- **Lack of financial management skills:** It is important to keep personal money and business money separate. Business money needs to be managed separately so that you know whether the business is making a profit and running successfully. From this profit you can allocate money for yourself to spend on household expenses, eg food and school fees.
- **Insufficient funds:** Some entrepreneurs may underestimate how much money they need to start their business, especially as many businesses can take a year or two to get going. Some people may have an unrealistic expectation of the profit they will receive, particularly when starting out, and are therefore forced to stop the business before they have had a chance to succeed. It is therefore important to make a realistic assessment of how much money or capital your business will require, where you can get this from

and at what cost. This will be part of your business plan.

- **Not understanding the market:** It can be tempting just to start the business you have always wanted to do, or to copy what everyone else is doing, without understanding the market and whether it will actually succeed. This is a mistake that can cause failure right from the beginning. To succeed, you need to identify an unmet need or gap within the market that you can satisfy with a product or service from your business.
- **Failure to adapt or innovate:** Although your business may be successful at first, it is important to stay continually aware of what the market conditions are, whether any circumstances have changed and whether the business needs to adapt or evolve with the new conditions.
- **Location:** Sometimes it is not just about having the right idea – it is having the right idea in the right place. A bad location can mean disaster to even the best-managed business. Some factors to consider when deciding on location include where your potential customers are, how accessible your location is, where your competitors are located and what sort of space you can rent for your business to operate from.
- **Expanding too quickly:** Many businesses fail when they try to grow or expand too quickly. If you want to grow

your business, it is important to have a plan to manage this process. Make sure the business can keep up with the demand from the growing number of customers. It is also likely that you might not be able to do everything yourself as the business grows, and therefore you will need to think about hiring and training staff to support the business.

- **Lack of support or mentoring:** Many new entrepreneurs would benefit from mentoring or ongoing support from existing business people or project staff with skills in this area.

Knowing and being able to reduce some of these potential challenges will make your business more likely to succeed – but of course, there is no guarantee! However, if you do fail, it can be a great opportunity to learn from your mistakes and to use these lessons to succeed next time. Studies of successful business owners have shown they attributed much of their success to building on earlier failures. Before his eventual success, Thomas Edison, who invented the lightbulb, said, 'I have not failed. I've just found 10,000 ways that won't work.'

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Some businesses fail because there is no demand for the product in the market.

by Roy Soto

WHY MY CHURCH IS INVOLVED WITH BUSINESS



Our community is rural, located in the foothills of the Poas Volcano in Costa Rica. In 2009 an earthquake devastated the region. Before the earthquake there were 12,000 employees in the area; today there are fewer than 1,000.

My church decided to help in two ways. Firstly, we created a recruitment service. People who needed employees sent us their requirements and we advertised them. This has resulted in hundreds of people finding work. We also decided to provide work for people ourselves. We started to grow and sell strawberries, lettuce and coriander, and now have 32,000 strawberry plants. We have also started a catering service, mini-market and cafeteria, and rent out equipment (chairs, tables etc) for parties and other activities. We currently provide employment to 35 people.

THREE REASONS WE DO BUSINESS

First, my church is involved in business because we want to see the economy redeemed by the values of God's kingdom. This means providing fair wages, good labour conditions, quality products that meet health and hygiene regulations, excellent services and fair prices to customers.

Second, we want to be sustainable as a church. We have several community projects, and cannot depend on the generosity of our members alone to finance them. For example, we run a day centre for the elderly, and a support and training centre for women who are survivors of domestic violence.

Third, we do business because we do not want people to feel manipulated into

giving to the church. We strongly disagree with teaching people that giving is like a transaction and that they will receive something miraculous in return. We see this as a distortion of the Bible. Instead, we believe that all of our resources belong to God and that we should give generously out of gratitude.

All this motivates us to keep doing business as a church, generating income so that we can be salt and light in our community.

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BIBLE STUDY

GODLY ATTITUDES TO BUSINESS

BEING PREPARED

Read Proverbs 31:10-31.

In this passage, we learn about a busy and godly wife. She is always hard at work – she grows food, manages land and makes cloth, bedding and clothing. Instead of one enterprise, she is involved in several. She does not fear what the future may bring because she has prepared herself for it. She is also caring, loving and widely respected. What an example!

- What can we learn from this picture?

- How can we help our families and our communities be better prepared for an uncertain future?

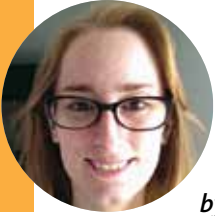
THE RIGHT ATTITUDE TO MONEY

The Bible contains a lot of teaching about money. It certainly does not forbid making money. Paul taught that we should work hard to provide for our needs and those of our families. In the New Testament we read about godly people who were successful in their businesses, such as Lydia, who was a dyer of purple cloth (see Acts 16:14).

In 1 Timothy 6:6-12, there is some very wise teaching about the need to be content with what we have and to have an appropriate attitude towards material things. The passage does not say that making money and using it well is wrong. It is good to make full use of our resources and abilities. However, the love of money rather than of God is wrong. It is our attitude that is so important as we seek to build up our enterprises.

- How can we make sure we have the right attitude to money?

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Adapted from Think livelihoods! See Resources page for more details.



by Helen Munshi

CHOOSING A WINNING BUSINESS IDEA

Choosing a business idea is one of the most important parts of your journey as an entrepreneur. Many people rush this stage, but it is worth taking the time to ensure your idea has the best chance of success.

There are two main ways to generate business ideas: firstly by looking at the market around you and secondly by considering your own interests and skills. Both are important. You should offer goods or services that there is a demand for and that you will have the ability and commitment to deliver.

METHOD 1: THE MARKET

The first way to generate business ideas is to look at the market. It is essential that you sell goods or services that people want and that there is demand for throughout the year.

DEMAND IN THE MARKET

- **Consider the demand around you.** What is being offered in the neighbouring

marketplace that is not offered locally? Visit the area, speak to the customers and observe what is being bought and sold.

- **Think about future demand.** What is the next logical progression of a product or service? For example, if someone is selling fresh food in the local market, could you offer to deliver it to people's homes instead?
- **Look through magazines or newspapers** to understand what is currently selling and any new trends in the market.

SOLVE A PROBLEM

- **Consider your own buying patterns.** Think about what goods or services you wish you could buy. What part of life currently causes you problems? Could you come up with a solution to that problem? You can also speak to family, friends and people locally about what problems they would like solved and what they like to buy.

- Are there **problems with the goods or services** that local businesses sell? Could you solve one of those problems?

LOOK AT THE COMPETITION

- **Visit your local town or village** and speak to the stall and shop owners. Ask them some basic market research questions such as, 'What is selling well?', 'How many do you sell a day?', 'How much competition do you have?'. You can also find out this information from observing the buying patterns of the customers and looking at the other businesses in the area.
- Can you **build on an existing business idea?** Instead of looking at a problem with a current business, identify businesses that you admire and that are doing well. Can you improve on what they are selling? Could you offer a better or more accessible service?

You do not need to come up with a completely original business idea. In fact, it is a good sign if people are already making money from a particular idea: it shows that there is a demand for it. However, it is important to try to make your offering slightly different so that you do not flood the market with the same product or service. If there are too many businesses selling the same thing, then the customers will be able to bargain the price down, as supply will be greater than demand.

METHOD 2: YOUR SKILLS, ASSETS AND INTERESTS

The second way to generate business ideas is to consider your skills, assets and interests. Many people think that as long as there is demand for a product

📷 Could you learn a new skill to give you a business opportunity? Photo: Andrew Philip



or service, then it is a good idea. This is partly true; however, you also need to find the right idea for you.

Skills are often learnt and can therefore be added to if you are missing something important for running your business. Some of the key skills needed to run a business are: sales, marketing, negotiation (with customers and suppliers), book-keeping, organisation and specific technical skills, such as carpentry or tailoring. For tasks such as book-keeping, it may be possible to hire someone to help you.

Assets are the resources that people use to produce their livelihoods and to cope with any crises. They can be split into six main categories:

- human and spiritual (eg education, faith, health, skills)
- social (eg family and friends, religious groups)
- political (eg the ability to advocate to decision-makers)
- physical (eg house, equipment, vehicles)
- financial (eg cash or items such as jewellery that can easily be sold for cash)
- natural (eg soil, water, trees).

Write down a list of assets you have or that you can access. You can then use that list to come up with business ideas. For example, if you have access to land, think about ways you could use this to earn an income.

Now you can consider your **interests** and use these to come up with business ideas. Think about these questions:

- Which businesses do you find inspiring? If you could run any business that already exists, which one would it be and why?
- Which business owners do you look up to and why? Why do their goods and services really excite you?
- What do you enjoy doing in your spare time? Could you make that into a business?

MARKET RESEARCH

Once you have chosen a potential business idea, it is important to carry out market research to make sure there is enough demand for your product or service.

Market surveys

Design a simple questionnaire to find out what your target customers want, with a maximum of ten questions. You need between 30 and 60 respondents for a reliable survey. Use the survey with people who represent the likely customers. Do not choose people you know.

Discussion groups

Get together a small group of your target customers to have a conversation about your business idea. You can ask them more complicated questions, such as which competitors they currently



buy from and what would make them change to a new business.

Testing the market

It is a good idea to test your products to find out if the quality is acceptable, whether the price is right and if the selling location is appropriate. Test using free samples, or try selling samples. Ask customers for feedback if possible, such as whether they would change anything about the product or service.

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See Footsteps 65: Adding value to food for a longer article on market research. Visit www.tearfund.org/footsteps to download a free copy.

- What did you enjoy doing when you were younger?
- What sort of lifestyle do you want? For example, do you want to be walking around making deliveries? Do you enjoy speaking to customers all day, or do you appreciate your own time and space?

PRODUCT OR SERVICE?

The final thing to consider is whether you would prefer to offer a product or a service. A product generally requires more financial investment at the start and often takes longer to get to the selling stage. You will need to link with suppliers and potentially manufacturers, develop the goods and then transport them to your customers. However, it can be very profitable. If you provide a service, you do not need to go through these stages, and often service businesses need less financial investment. However, as you are trading your time for money,

there will be a limit on how much you can earn, as you have limited time. In order to grow your business, you will need to take on staff.

The process of coming up with a business idea can be quite overwhelming. But every idea, no matter how small or silly, is useful, as it can result in other ideas. Carry around a notebook and write down ideas as they come to you. You will soon see potential business ideas everywhere you go.

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by Kara Greenblott, Isabel Carter and Debora Randall

ADDING VALUE TO BOOST PROFITS

Have you ever wondered why jam usually costs so much more to buy than raw fruit? Or why woven baskets are more expensive than reeds?

There are different steps involved in changing a raw material into a finished product ready for sale. This process is known as the value chain. At every stage in the value chain, the product typically gains value (see diagram below).

Thinking through the value chain can help people to see if there are ways of adding value to the products they are selling. For example, milk can be processed to make butter and cheese. Different products can be combined to make a higher value product, such as bread or street food. As long as the cost of processing is less than the added value, then there should be an increase in profit.

There may also be opportunities to increase profit without changing the product. For example, it may be possible to cut out one of the links or to make the product move along the chain more efficiently. By working together to purchase raw materials or to sell products, producers may get better prices and increase their profits. By simply storing raw materials for a while, the

seller may get a much better price for the product out of season.

Location also affects value. Selling in alternative markets (usually further away) may significantly increase profits.

ACTIVITY: VALUE CHAIN ANALYSIS

This activity can be carried out with a small group of people.

Brainstorm a list of the products or services that are available in your area: for example, coffee, dairy products, hairdressing, maize, beads, rabbits or papayas. Write them up on a large piece of paper.

Is there much demand for this product or service? Circle all the ones that have a good market. Choose three that represent different kinds of product or service. (You may like to suggest dividing into three groups.)

Using a sheet of paper, map the people and businesses in the value chain (see diagram below): the input suppliers, the producers, the buyers/sellers and the final consumers. Think about how the price of the product changes as it moves through different steps in the value chain and is sold in different locations.

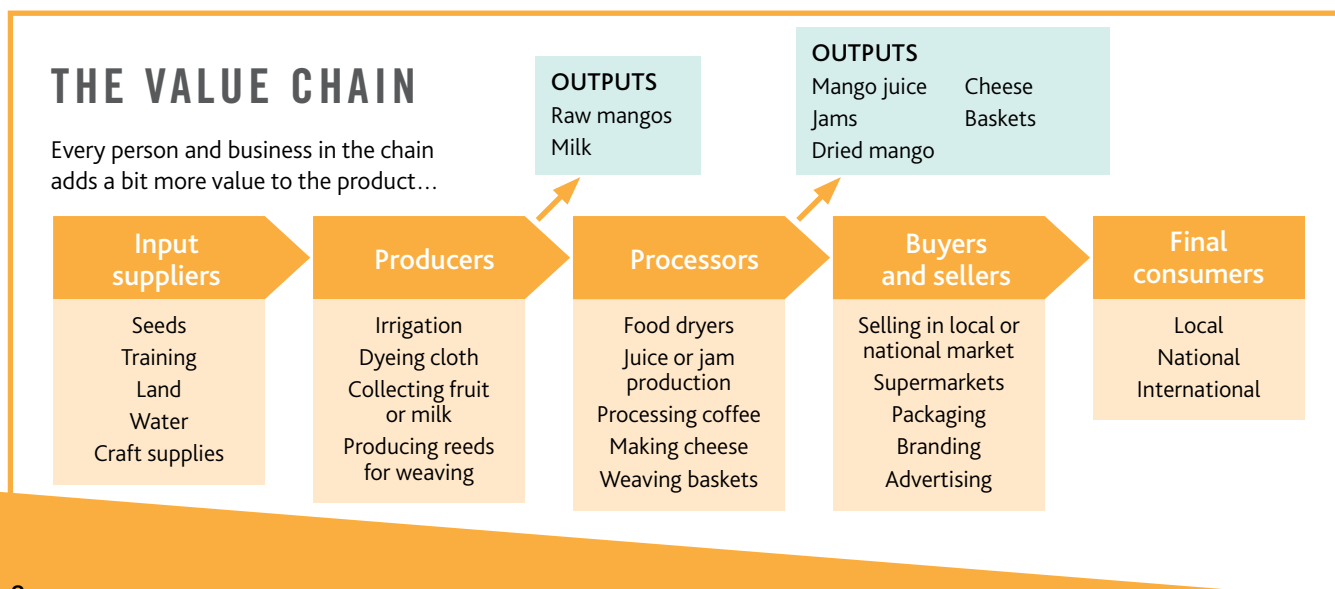
Then decide whether the value chain can become more efficient by answering these questions:

- Can you increase your production (quality and/or quantity)?
- Is it possible to add value by (more) processing?
- Does market price vary with the seasons? If so, could you create better storage and sell later in the season when the price is higher?
- Does price vary with market location? If so, how can you access these new market locations?
- Could you join together with other producers to sell your goods collectively, or share transport costs?
- Are there new buyers you could link to?

If you answered 'yes' to any of these questions, there is potential to use value chain analysis to increase production or profits. Identify people you can approach to help analyse the value chain in more detail. (This exercise is not a full value chain analysis. Agricultural extension workers, NGOs or other organisations may be able to help with a thorough analysis.)

Once you have analysed the value chain in detail, you can work out the best way to increase your income.

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This article was adapted from Think livelihoods! See Resources page for details.





CASE STUDY: VALUE CHAINS IN KENYA



with Bertha Chunda

Farm Concern International (FCI) is expert in analysing value chains and enabling farmers to access markets.

They encourage people to produce what sells, rather than simply trying to sell what they have always produced.

In Marsabit sub-county, northern Kenya, frequent droughts and poor infrastructure have contributed to high levels of poverty. FCI has been working with communities in Marsabit to help them find ways to increase their income.

First, FCI analysed the local market to see which products were in demand and which were likely to bring farmers the most profit. Once they had identified these products, they analysed the value chains to see where they could best make a change to add value.

CHANGING CROPS

FCI found that many farmers were growing and selling beans and maize – crops that do not grow well in areas with low rainfall. Furthermore, maize fetched only 46 Kenyan Shillings (KSH) per kilogram in the markets. However, there was a large demand for green grams, a drought-tolerant crop well suited to Marsabit's climate. The market price for green grams in peak season was 70 KSH per kilogram. The farmers soon understood that it would be more profitable to grow green grams.

NEW PRODUCTS AND TRANSPORT SOLUTIONS

Another potential product FCI identified was camel milk. Families in Marsabit were producing more than enough camel milk for their own needs, but were throwing away the excess. FCI knew that camel milk was in high demand and that it would be a good source of income.

Traders previously could not access camel milk from the area, because the milk would spoil while they collected it from individual farmers. But FCI helped the farmers arrange a central collection point. They taught the farmers to store the milk in clean stainless steel containers, since plastic containers made the milk spoil before reaching the market.

LINKING FARMERS TO MARKETS

The third value chain FCI identified for improvement was goats and sheep. The market for livestock was two days' travel away, and the animals would lose weight on the journey. Farmers had little bargaining power and would accept low prices for their livestock. At the market they had to sell through brokers, who would take a cut of the money.

FCI mobilised the communities in Marsabit to form 'Commercial Villages', where they could market their products together and improve their bargaining power. Through the Commercial Villages, FCI arranged meetings between the farmers and local traders. The farmers agreed to bring their livestock to a central location in their community, which the traders could visit to make their purchases. This saved time and effort for both the farmers and the traders, and meant the farmers got a fair price.

PARTNERSHIPS FOR CHANGE

Through the Commercial Villages, FCI also linked the community members with other organisations. For example, they invited banks to the villages to train people in opening bank accounts and the importance of saving. The Ministry of Agriculture provided training on farming techniques.

A COMMUNITY TRANSFORMED

The project caused a real change in people's lives. Household income levels increased significantly. In one village, women's incomes grew from less than \$1 a day to at least \$10 a day from the

sale of camel milk – and sometimes up to \$30.

The area had always been known for its tribal conflicts. But working together on the project improved relationships between tribes and religions, and between men and women. Crime rates have fallen in the area. Young people are now actively involved in earning money and are less likely to turn to negative behaviours such as drug abuse.

Several participants commented, 'FCI has shown the value of what people already have. Most NGOs bring stuff, which is not able to transform us. But FCI has empowered us.'

This case study was compiled using research by Bertha Chunda, Tearfund's Global Food Security Adviser.

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Hakule Dida's income increased when she started growing green grams instead of maize and beans. Photo: Farm Concern International (FCI)

by Mari Williams

WHY DO WOMEN EARN LESS THAN MEN?

Across the world, women face many obstacles to getting involved in entrepreneurship and business. Women generally earn less than men, have less control of assets and have less decision-making power about money. Why is this? What barriers exist to women's economic empowerment, and how can these be overcome?

There are many inter-related and often complex factors that help or hinder women's economic empowerment. Access to education and training for both women and girls is a key area. Despite progress in recent years, girls are still less likely than boys to enrol in and complete secondary school in many countries. Lack of access to financial assets, such as loans and savings, and physical assets, such as land and property, are also major barriers.

Beneath many of these barriers are harmful social and gender norms, which are rules of behaviour that are considered acceptable in a group or society. These determine what roles are seen as appropriate for women and men, girls and boys. Often, men are seen as the wage-earners, while women are responsible for household tasks, such as collecting water and fuel, cooking and cleaning. This means that women and girls have less time available to earn a living and to participate in projects and decision-making processes.

There are also many structural factors – government policies, regulations and laws – that can support or prevent women's economic empowerment.

WHAT CAN BE DONE?

Bringing about women's economic empowerment requires change and action in every area – within individuals, households, communities, institutions, NGOs, the private sector and governments. No single change will be able to tackle everything. When supporting communities to develop livelihoods programmes, it is therefore important to think through the whole range of barriers that may be limiting women's engagement.

There are many positive steps that can be taken. Here are some examples:

- tackling harmful social and gender norms through community training
- reducing the burden of unpaid care work through developments such as improved cooking stoves and better access to clean water and sanitation
- advocating to ensure that any paid work women engage in has an adequate minimum wage, secure contracts and safe working conditions



Household tasks are often viewed as women's responsibility.

- helping women access training in literacy and other skills
- promoting savings and loans groups and self-help groups (see page 21)
- advocating to change laws, policies and practices that limit women's opportunities
- helping girls enrol in, and complete, school. This may include challenging social norms and tackling the lack of sanitation facilities that girls require to attend school during menstruation.

When women are not economically empowered, it is not only women who suffer – the whole community is affected. However, when women are economically empowered, the whole community benefits from happier and healthier families, improved relationships, increased productivity and reduced poverty.

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Tearfund's resource Reveal includes many tools on the issues addressed in this article (www.tearfund.org/Reveal).

WILL MY LIVELIHOODS PROGRAMME WORK FOR WOMEN?

Here are some example questions to consider:

- How will you consult women and men in the design of the programme? For example, will you conduct separate women's and men's focus group discussions?
- Would some activities for women be more successful if supported by female programme staff?
- Are women able to attend any training etc? Will transport or child care need to be provided?
- What are women's and men's levels of literacy, and how can you adapt your materials accordingly?
- What effect will the project have on women and men in the short and longer term (socially, economically and politically)? How can you reduce any negative effects?

EMPOWERING WOMEN IN NORTH-EAST BRAZIL



📷 Diaconia helped women form community businesses such as bakeries. All photos: Diaconia

Life can be hard in Brazil's semi-arid region, especially for women. Lack of access to water and land means farming is often a struggle. Many men and young people migrate to towns and cities to look for work. The culture is dominated by men, and women traditionally have few opportunities for earning an income or having a voice.

Tearfund's partner Diaconia set up a three-year project to help the women in this area achieve economic success and become more empowered socially and politically.

UNITING AND EMPOWERING WOMEN

Diaconia mobilised the women to come together in women's community groups. Project staff trained the women in new agro-ecological techniques (sustainable and environmentally friendly ways of farming). They also taught them how to add value to their produce by making fruit pulps, sweets, cakes and bread. They helped the women set up community businesses together, such as bakeries. They also organised exchange visits between different communities so the women could learn from one another's successes and failures.

Diaconia staff gave the women thorough training in business management, production and marketing. They helped the women access the markets where they could sell their products most profitably, including agro-ecological fairs. They also helped link the women to two government policies: the Food Acquisition Programme and the National School Feeding Programme. Through these programmes, the government purchases food from family farms for use in state-run hospitals, care homes and schools.

Through the training, Diaconia helped the women learn more about their rights and encouraged them to get involved in public decision-making. Women began joining local community associations and workers' unions, often taking leadership positions. In many cases, this improved the organisations' performance.

RELATIONSHIPS TRANSFORMED

The project has seen a remarkable improvement in women's empowerment. Their income has increased significantly, and some families have been able to buy items such as fridges and motorbikes. A few have been able to pay for their children to access higher education.

The fact that women are now contributing to the household income has changed relationships within families. As the men saw the benefits to their family, they began to support their wives in their new ventures. While the women were on exchange visits learning from other communities, their husbands took over their daily chores around the home – despite some reluctance at first.

All this did not come without a struggle. 'At first it was very difficult because there was a lot of machismo,' says Maria Dilvânia Fernandes. 'Husbands did not want their wives to attend the women's groups or training courses. But we did not give up. Those who could participate in the meetings demanded freedom and equality for the others.'

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Case study compiled using information kindly provided by Diaconia.

Web: www.diaconia.org.br
 Email: comunicacao@diaconia.org.br

CREAMY PAPAYA CAKE



Ingredients

- 1 cup of sugar
- 1 cup of oil
- 2 cups of wheat flour
- 1 cup of papaya juice
- ½ cup of condensed milk
- 3 eggs
- 1 tablespoon of baking powder

Method

In a bowl, mix all the ingredients together with a spoon. Put the dough in a greased and floured tin and bake for 40 minutes at 180 degrees until golden.

SESAME BISCUITS



Ingredients

- 1 cup of roasted and ground sesame
- 1 cup of sugar
- 250g of cornflour
- 250g of wheat flour
- 100g of margarine
- 2 teaspoons of baking powder
- 3 eggs
- 1 teaspoon of salt
- sesame seeds for decoration

Method

Beat the margarine and sugar until creamy. Add the eggs, sesame, cornflour, baking powder, salt and wheat flour. Mix to form a firm dough. Roll out the dough and cut into squares, sprinkling with sesame seeds to decorate. Bake at a moderate temperature. Makes 500g of biscuits.

HOW TO COMPLETE A CASH FLOW FORECAST

by Helen Munshi

Understanding the finances of a business is key to its success. A cash flow is a month-by-month summary of the money that goes into and comes out of a business. It shows whether the business is making a profit and whether there is enough money to cover the costs each month.

There are two types of cash flow:

- a cash flow forecast, which is based on predictions
- an actual cash flow, which shows the actual income and costs every month

Below is an example of a cash flow forecast for the first six months of a business.

5

This column shows the **total** for each type of income and expense for the cash flow period. This is useful to see where most of the money is spent in the business and helps show whether you need to make savings in a certain area.



1

Complete the **names of the months**. This example includes an initial month before the business starts selling products or services. Most businesses will spend and receive money to get ready for trading. Number the months – month 1 is the month when you start selling.

2

The **sources of income** section shows all the money coming into the business. This includes sales revenue (ie how much the business is earning from selling goods or services) and any loans. You can work out your monthly sales revenue by multiplying the price of your product/service by the number you expect to sell each month. Your market research should help you predict this (see pages 7 and 19).

3

In this row add up the **total monthly income** coming into the business for each month.

4

This section shows all the **expenses** the business will have. List each cost on a different line. Include the amount it costs to make the product or provide the service. List any fixed costs such as rent, electricity and taxes. You should also include how much you need to take from the business to live: your 'personal survival budget'. Set aside a contingency amount every month. This is money that can be used to pay for unexpected costs.

6

This section shows the **balances** for the business. This is how much money the business has at the start and the end of the month.

Balance this month – To calculate the balance, take the total money earned in the month and subtract the total money spent in the month ($balance\ this\ month = total\ monthly\ income - total\ monthly\ costs$). If this number is positive then the business has earned more than it has spent. If it is negative then the business has spent more than it has earned.

Opening balance – This is always 0 in the initial month before trading begins, as we assume there is no money in the business when it starts. For the other months the opening balance is the same as the closing balance of the previous month. It shows how much cash the business has at the start of the month.

Closing balance – This shows how much cash the business has at the end of the month. It is calculated by adding the month's opening balance to the month's balance ($closing\ balance = balance\ this\ month + opening\ balance$). If this figure is negative then you have run out of money and need to get more finance or make more sales to be able to cover all your costs.

CASH FLOW FORECAST JUNE TO NOVEMBER 2017

| Month number | | 1 | 2 | 3 | 4 | 5 | 6 | Total for this period |
|-----------------------------|-----------------|------------|------------|------------|------------|------------|------------|-----------------------|
| Name of month | Before starting | June | July | August | September | October | November | |
| SOURCES OF INCOME | | | | | | | | |
| Sales revenue | 0 | 300 | 500 | 550 | 600 | 600 | 500 | 3050 |
| Loan | 800 | 0 | 0 | 0 | 0 | 0 | 0 | 800 |
| Total monthly income | 800 | 300 | 500 | 550 | 600 | 600 | 500 | 3850 |
| EXPENSES | | | | | | | | |
| Raw materials | 0 | 60 | 100 | 110 | 120 | 120 | 100 | 610 |
| Equipment | 200 | 0 | 0 | 0 | 0 | 100 | 0 | 300 |
| Market stall rent | 0 | 80 | 80 | 80 | 80 | 80 | 80 | 480 |
| Electricity | 0 | 10 | 10 | 10 | 10 | 10 | 10 | 60 |
| Marketing | 20 | 0 | 0 | 0 | 20 | 0 | 0 | 40 |
| Loan repayments | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 20 |
| Contingency | 0 | 10 | 10 | 10 | 10 | 10 | 10 | 60 |
| Personal survival budget | 0 | 200 | 200 | 200 | 200 | 200 | 200 | 1200 |
| Total monthly costs | 220 | 360 | 400 | 410 | 440 | 520 | 420 | 2770 |
| BALANCES | | | | | | | | |
| Balance this month | 580 | -60 | 100 | 140 | 160 | 80 | 80 | 1080 |
| Opening balance | 0 | 580 | 520 | 620 | 760 | 920 | 1000 | 0 |
| Closing balance | 580 | 520 | 620 | 760 | 920 | 1000 | 1080 | 1080 |

by Richard Gower

TURNING WASTE INTO WEALTH

In the developing world there is a huge and growing waste problem. Currently, 9 million people die every year due to the mismanagement of waste and pollutants. That is 20 times more people than die of malaria. If we ignore this waste problem, we will miss a key opportunity to save lives and create jobs.

The circular economy is a new way of thinking about the world. Our current way of doing things is linear: we take natural resources, make items, use them and then throw them away. At this end point all the energy, water and materials used in making the items are thrown away too. The circular economy, however, keeps resources in use for as long as possible. Many items, such as cars, can be repaired or rebuilt rather than being thrown away when they break. This creates new job opportunities and reduces health-damaging waste.

Visit www.tearfund.org/circular for more resources on the circular economy.

Over the next two pages we feature enterprises from around the world turning waste into wealth.

DISCUSSION QUESTIONS

- What happens to waste in our communities?
- Are there any resources considered 'waste' that we could turn into business opportunities?

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☑ Terra Coco makes a range of products from discarded coconuts. Photo: Terra Coco

TERRA COCO, GUATEMALA

by Mario Morales



In 2010 there was a flood on the south coast of Guatemala, near where I live. Local churches came together to consider how we could support the communities affected. We realised we had a resource right there in front of us: the coconut. There were discarded coconut husks all around our communities, especially after the floods. Coconuts were very little used and full of exceptional biological qualities.

From the beginning, I had great faith in this often discarded product. I set up a social enterprise called Terra Coco, using coconuts to make a range of eco-friendly products. We use coconut fibres to make shoes, sandals, handbags and land nets for preventing erosion. The process of extracting the fibres produces a nutrient-rich mulch, which we use in community gardens.

The 'explosion' of the ecological market is a great opportunity for Terra Coco.

People look favourably on products that are ecological, biodegradable, ethical and above all beautiful. A huge new opportunity for us is coconut oil. It is very commercial, since both the pure oil and the soap and shampoo derived from it are very well received by the public. We are producing oil and exploring soaps and shampoo.

At Terra Coco we employ vulnerable families in need of work, including women and young people. Right now, God needs us to share a practical gospel. We are not interested in just making another business. We want to create an enterprise of Christ.

Mario Morales is a graduate of Tearfund's Inspired Individuals programme.

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JOS GREEN CENTRE, NIGERIA



by Ben Osawe

Youth unemployment is a huge problem in Nigeria. Half of the country's population is under the age of 30, and the public sector cannot absorb the huge number of people in need of work.

In Tearfund's Nigeria office we wanted to find a way to address this issue. As part of our discussions around climate change, we decided to look at ways of turning waste into jobs. We have a massive amount of waste in Nigeria's urban centres, especially plastic waste.

INSPIRING YOUNG PEOPLE

In 2015 we started working with a group of young people. Young people are not set in their ways like adults. They are able to explore and innovate, and are not afraid to fail. Together, we set up the Jos Green Centre. This is a centre for eco-entrepreneurship – that is, businesses based on eco issues, renewable energy or anything that is environmentally friendly. Seventy people are now part of Jos Green Centre, and we have started similar centres in each geopolitical zone of Nigeria.

When the young people come, we do not just send them to work – first, we take

them through a Micah Challenge resource called *Live Justly*. This introduces them to the biblical basis for what they are doing and the importance of advocacy and justice. It helps shape their values. Because it's not just about jobs; we want to have value-driven youths who enable society to function the way it should.

Even before they finish the *Live Justly* course, the young people get inspired. They say their eyes are opened. I have seen it happen again and again, and I get so excited. They are able to engage creatively with environmental and other issues.

We held some initial exhibitions where young people displayed the products they had made from waste. This was to show people what was possible. We have taken the products to workshops and events, and the bangles in particular were incredibly popular. Next we are going to train the young people in project cycle management and proposal writing so they can start their own enterprises.

INSPIRING THOSE IN POWER

The young people went to ask the local government for permission to collect used

flex banners from the streets and make them into plastic shopping bags. When they showed the officials the products they had already made, they were given permission immediately. The officials were really impressed – they even offered to give the young people space in their office.

People are really amazed at how a group of young people can come together and do something with what looks like nothing. We have told the government we plan to set up what we call a Climate Innovation Hub. This will be a place where young people can work on green issues and create products. The government has agreed to give us land and 1.5 million naira (about 4,800 USD) for this.

In the words of the youth, the process so far has been a 'wow!' experience. They are surprised – but beyond that, they believe they can do something for themselves now. They can be independent and have a voice.

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Visit www.tearfund.org/livejustly to download the Micah Challenge Live Justly course.

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HOW TO MAKE A BANGLE FROM A PLASTIC BOTTLE

You will need:

- an empty plastic bottle
- scissors
- fabric
- glue

1. Take the plastic bottle and cut a ring shape out of it.
2. Measure and cut a long rectangular strip of your fabric. Depending on the final style you want, you can either a) measure the same fabric by running it twice around the outside of the ring or b) cut different fabrics that you want to mix and match, running them once each around the outside of the plastic ring.

3. Fold over a small bit of one side of the rectangular cloth, to make a neat edge.

4. Take the top of the shorter side of the rectangular fabric and glue it to the inside of the plastic ring.

5. Then begin to wrap the fabric around the plastic ring, making sure you use the folded edge to hide the straight one. Continue until the entire ring is covered.

6. Cut away any excess fabric and tuck in the end of what is left, gluing it to the inside of the ring.



7. Let the glue dry for about 40 minutes to 1 hour. Then your bangle is ready to wear.

BOOK-KEEPING FOR BEGINNERS

WHAT IS BOOK-KEEPING?

Book-keeping (sometimes called record-keeping) is simply recording all the money that comes into and goes out of the business. This is essential, as it is very difficult to remember transactions without writing them down. You will need these records for any tax returns. They will also show you how well the business is doing and which products or services are selling best.

There are several different methods of book-keeping. Below is a simple and easy approach.

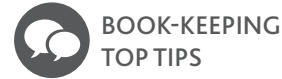
RECORDING TRANSACTIONS

- Buy a simple lined notebook to record your transactions.
- Always record money coming into the business (income) on a separate

page to money going out of the business (expenses/costs).

- Every time there is a money transaction, whether it is money earned or money spent, you should record the following:

- Reference – give every transaction a reference number and then write this on the receipt or invoice before you file it so you can easily find the corresponding paperwork.
- Date of the money transaction.
- Description of what was bought or sold and (if known) who the customer or supplier was.
- How the money was received or paid (cash, electronic or mobile phone payment) and the amount.
- Category – each transaction should be put into a category such as raw materials, rent, sales.



- Always keep personal and business money separate. Keep the money in separate bank accounts or purses and keep separate records for each.

- Keep receipts or make a note of all money spent and earned in a day rather than trying to remember it later.

- Have a set time each day or week to do your book-keeping. The more regularly you do it, the more comfortable you will get with the process – and also the earlier you can spot any financial problems.

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For an article on the more complex method of double-entry book-keeping, see Footsteps 11: Accounts and records. Visit www.tearfund.org/footsteps to download a free copy.

| CASHBOOK MONEY IN (INCOME) | | | How the money was received | | | | TOTAL | Category of income | |
|----------------------------|------------|---|----------------------------|------------|---------------|---------------|--------|--------------------|---------------|
| Reference | Date | Description of the transaction | Cash | Debit card | Bank transfer | Phone payment | | Sales | Official loan |
| A001 | 25/05/2017 | Loan received from microfinance company | | | 800.00 | | 800.00 | | 800.00 |
| A002 | 02/06/2017 | Customer AA bought 1 dozen eggs and 1 litre of milk | 3.25 | | | | 3.25 | 3.25 | |
| A003 | 02/06/2017 | Customer BB bought 2 dozen eggs | 4.00 | | | | 4.00 | 4.00 | |
| TOTAL | | | 7.25 | 0.00 | 800.00 | 0.00 | 807.25 | 7.25 | 800.00 |

| CASHBOOK MONEY OUT (EXPENSES) | | | How the money was paid | | | TOTAL | Category of expenses | | | | |
|-------------------------------|------------|--|------------------------|------------|---------------|--------|----------------------|---------------|-------|-----------|-------|
| Reference | Date | Description of the transaction | Cash | Debit card | Phone payment | | Marketing | Raw materials | Phone | Insurance | Rent |
| B001 | 27/05/2017 | 300 leaflets for marketing | 20.00 | | | 20.00 | 20.00 | | | | |
| B002 | 01/06/2017 | Paid June's rent for market stall to local council | | | 80.00 | 80.00 | | | | 80.00 | |
| TOTAL | | | 20.00 | 0.00 | 80.00 | 100.00 | 20.00 | 0.00 | 0.00 | 0.00 | 80.00 |



USING OUR GIFTS FOR GOD

God has given us all skills and abilities that we can use to serve him. We might be great at a certain subject in school. Or we might be able to cheer people up when they are feeling sad. Or we might be really good at fixing things when they break. We can use our skills to help make the world a better place.

A PICTURE OF YOUR FUTURE SELF

In the space below, draw a picture of what you would like to be when you grow up (for example, a farmer, a health worker, a parent, a business person... or something completely different!). Around the picture, write some of the skills you will need.

A POEM ABOUT YOUR SKILLS

Take a piece of paper and write your name down one side. Then write something you are good at beginning with each letter.

For example, Ajit might write:

Amazing at singing
Joyful
Intelligent
Thinks about other people's feelings



BIBLE VERSE MEMORY CHALLENGE!

We don't have to wait until we are grown up to use our skills for God. We can honour him in whatever we do – whether we are studying, helping our parents, being kind to others or even playing sport.

Can you learn this Bible verse by heart?
'Whatever you do, work at it with all your heart, as though you were working for the Lord and not for people.' (Colossians 3:23)

by Helen Munshi

HOW TO WRITE A BUSINESS PLAN

A business plan is a written document that states what your business will do and how this will be achieved. It is usually 4–20 pages long, depending on how complicated your business is.

Writing a business plan helps you think through all the steps needed to start your business. It can help you decide if a business idea is worth pursuing. If you apply for funding for your business, the organisation will often want to see your business plan. Below is an example structure for a business plan.

SECTION 1 – EXECUTIVE SUMMARY

Here, you summarise the main elements of the business. This section should not be more than one page long. It should tell the reader all the key information they will need about the business. List:

- the product or service that the business is going to sell
- the target market
- things that set you apart from the competition
- the goals of the business
- who is going to run the business
- the number of sales you forecast making

- the predicted profit for the first year
- whether you need a loan. If so, how much do you need and what will it be used for?
- the major achievements so far (eg sales made, suppliers contacted, employees hired, test trading etc)

SECTION 2 – ABOUT YOU

In this section you outline who you are, what experience you have and why you want to start the business. Include:

- the skills and experience you have that will help you run the business
- useful training courses you have done
- your skills from everyday life. For example, running a household will give you organisation, budgeting and time management skills.
- any experience you have that will help you run a business. This could be a job, work experience or volunteering in the local community.
- reasons why you want to run a business
- reasons why you think this is the right business for you
- the skills, support, assets and resources you have that will help you

SECTION 3 – BUSINESS DESCRIPTION

In this section, explain what you will sell and how much you will charge. If you have more than one product or service, you should describe all of them. Include:

- details of all the products and/or services being sold.
 - What does it look like?
 - What is it used for?
 - How will it benefit the customer?
 - What is included in the product or service?
 - What is the price?
- a detailed description of what makes the product or service different from others in the market

SECTION 4 – TARGET MARKET

In this section you describe the people most likely to buy from the business.

- Are you selling to individuals or businesses?
- How old are your customers?
- What is their gender?
- Where do they live?
- What are their jobs?
- Where do they shop and how regularly?
- Do they have a family? If so, who is part of their family?
- What do they value?
- What is their lifestyle like?
- What do they want from the product or service?
- Do you have any customers waiting to buy your product or service? Provide details.

TIPS FOR WRITING A BUSINESS PLAN

- Start with the 'about you' section – it is easiest to write about yourself.
- Leave the executive summary until the end. It is easier to summarise the plan once it is written.
- Keep it simple. Do not worry about using business language. Write in your own 'voice' so the reader understands who you are.
- Explain any technical terms clearly.
- Ask someone who does not know you or your business to read through the plan and give feedback. Do they understand what the business does and how it will achieve its goals?

SECTION 5 – MARKET RESEARCH

In this section you explain what the market is like, who the main competitors are and how they may affect the business. Include:

- the market that the business will be operating in
- the size of the market (sales per year, number of customers)
- the latest trends in the market
- things that impact the market (eg seasons, weather, trends, politics)
- a summary of the results of local market research, such as questionnaires or interviews with potential customers (see page 7)
- a summary of the results from any test trading that was carried out:
 - How much did you sell?
 - What did you learn?
 - What would you do differently as a result of your test trading?
- a summary of how you have analysed your competitors:
 - Who are your main competitors?
 - What do they sell and for how much?
 - Where are they selling?
 - Who are they selling to?
 - What are their strengths?
 - What are their weaknesses?
 - How will your business compete with them?

SECTION 6 – MARKETING PLAN

Here, you explain how you will tell potential customers about your product or service. For each method of marketing you will use, cover the following questions:

- How will it help customers find out about the business?
- Why are you using this method?
- What is the cost?
- When and where will it be done?
- What results do you expect to get?

SECTION 7 – OPERATIONS PLAN

In this section you describe the everyday workings of the business and how you will deliver the products or services.



Self-help groups or microfinance organisations may want to see a business plan before granting a loan. Photo: James Morgan/Tearfund

Complete only the sections relevant to your business:

- **Equipment.** What equipment does the business need? Where will you get it from? Are you buying it or renting it? How much will it cost?
- **Payment.** How will you take payment from your customers? Where will you store cash? How often will you do your book-keeping?
- **Production.** Detail every step of making your product.
- **Suppliers.** Who are you getting your supplies from? Do you have a backup supplier? What will you pay them? How do they take payment?
- **Transport.** What method of transport are you using? How much will it cost?
- **Storage.** Where will you store products and equipment? How much will it cost?
- **Delivery to customer.** How are you getting the product or service to the customer? How long will this take? Where are you selling? How much will delivery cost?
- **Insurance.** What insurance do you need? Where will you get it from? How much will it cost?
- **Staff.** If you need staff, outline what they will do in the business and how much you will pay them.
- **Premises.** Where are you running the business? How much rent will you be charged if you are hiring

somewhere? What are the terms of the rental contract?

SECTION 8 – FINANCIAL PLAN

In this section you explain how the business will perform financially. You should include forecasts of the costs of providing the product/service, the sales you plan to make, and your cash flow forecast (see pages 12–13). Include:

- the assumptions you have made when putting together the sales, cost and cash flow forecasts
- things that will affect the financial performance of the business and how will you get around those risks
- how much you will need to pay to yourself in order to survive
- the first year headline financial figures (sales revenue, costs and profit)
- how much money you will need to start the business and where the money is coming from
- what you will use the start-up funding for
- how and when you will pay back the start-up funding

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by Bob Hansford

PROTECTING LIVELIHOODS FROM DISASTERS



After the earthquake in Nepal, Kopila set up a successful tailoring business. Photo: missionFACTORY Switzerland

Disasters affect nearly all aspects of life, but particularly livelihoods. Sometimes the damage done to people's ability to earn an income is a bigger problem than damage to a house or physical injury. If income can be restored quickly, then survivors will be able to meet their other needs. Below are some tips NGOs and community workers can give to people living in areas at risk of disasters.

A helpful first step is to identify the most common hazards affecting your area, eg flood, typhoon, drought or fire. Second, make a list of the different ways those hazards could damage your livelihood. Third, try to think of ways to reduce that

impact, or actions you can take that will protect your livelihood assets and products. Here are a few ideas:

- **Protect key assets.** In a flood-prone area, try to store livelihood tools, seeds and products awaiting sale in a high-up place in your house, wrapped or sealed in plastic bags if these are available. Alternatively, double-seal items in plastic and store them buried underground. Identify safe places for larger items, such as boats, where they can be tied securely.
- **Evacuate.** Move your livestock to higher ground as soon as there is a warning of floods or cyclone. Evacuate

your family too and as many livelihood-related goods as you can carry.

- **Diversify.** Try not to be totally dependent on one income-generating activity or one crop. Use part of your available land for another food or cash crop, preferably one that grows outside the disaster season. Start some new ventures, such as keeping chickens, ducks or other small livestock; growing vegetables; or a non-farming activity such as hairdressing or tailoring.
- **Keep some savings.** When income is good, set aside a little money each week in a bank or group savings account. This money will gradually grow and provide some capital to use for replacement equipment, seeds etc if the family is hit by disaster.

- **Note alternatives.** Try to think all the time about alternative sources of raw materials or places to sell your goods if the regular ones become unavailable.

- **Adjust farming practices.** Seek expert advice about new varieties of crops, and try out those which will be more resistant to hazards such as drought. (Some common drought-resistant crops are millet, sorghum, cassava and green grams.) Other ideas include growing several crops together in one field or adopting conservation farming methods. Government officers or NGO workers can advise you on this.

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RESTARTING A BUSINESS AFTER A CRISIS

by Dora Piscoi

When disaster strikes, people often have to sell their possessions in order to meet their basic needs, such as food and medicine. They will not be able to restart their business unless these urgent demands are met. However, they also need to regain their main ways of making an income if they are to continue providing for their families.

Therefore, an important first step is to minimise people's need to sell the physical assets they require for making an income (such as livestock or farming equipment) or to spend the money they need to invest in their livelihoods. If this has already happened, supporting families both

to meet urgent needs and to replace these assets can start them on the road to recovery.

Where the local economy allows, one of the best ways to do this is to provide cash grants. When people have cash, they can decide themselves how to spend it. For example, they might use it to cover their rent to make sure they can stay safely in their home before reinvesting in their business. The flexibility and power to decide provides people with dignity.

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CASE STUDY: A SEWING MACHINE IN NEPAL

by Rolf Gugelmann

The timing could not have been worse. One week before Nepal's earthquake of 2015, Kopila Shresta and her husband moved from her village to the capital, Kathmandu. She had trained as a ladies' tailor and wanted to earn a living in the city. When the earthquake hit, she lost all her possessions, including her precious sewing machine.

Kopila was in despair. Despite this, she began attending small business training run by the organisation missionFACTORY Switzerland. Mentors from missionFACTORY helped her think through her tailoring business idea

carefully. Kopila could not read or write (apart from her first name and numbers), but her mentor helped her put a business plan in written form. Through this, she was able to access start-up funding, which she used to purchase two new sewing machines and other equipment.

In August 2016, before the main Nepalese festival, Kopila started her own tailoring business. In the first month she earned a profit of 15,000 rupees (about 145 USD). In the second month her profit rose to 20,000 rupees (about 194 USD). She soon saw an additional business opportunity and began offering training in tailoring to other women. This brings in extra income.

'I am very happy and relieved,' says Kopila. 'This business allows me to live an independent life. The training helped me to systematically monitor and control finances and to understand the importance of good customer service.' However, the greatest benefit to Kopila is her new sense of self-esteem. 'I have done something for myself!' she says.

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SELF-HELP GROUPS: CREATING CAPITAL TOGETHER



A self-help group (SHG) is a group of 15 to 20 people who meet together each week to support each other financially and encourage one another. SHGs are an incredibly effective way for people to lift themselves out of poverty.

SAVINGS AND LOANS

SHG members are often the poorest and most vulnerable people in the community when they first join the group. They start by saving small amounts regularly, and then begin taking out small loans from the group at a low interest rate. Members often use the money to start or expand their own businesses. They also receive small-business training.

'The business provides consistent income for us. Being able to provide

for my family means I do not have to rely on others for help any more.'
Sahra, Somaliland

SUPPORTIVE RELATIONSHIPS

Members of SHGs find they benefit from far more than just financial success. The groups focus on building strong, trusting relationships between members. Many groups are made up entirely of women, though there are some mixed groups.

'I can't express in words what my group means to me. They are my sisters – we support each other in everything.'
Meseret, Ethiopia

EMPOWERMENT

Belonging to the group helps members realise they have the ability and

resources to improve their own situation. They gain new confidence and a voice. Many women report improved gender relations in their homes and communities. In Myanmar, Tearfund's partner The Leprosy Mission is using SHGs to transform the lives of people with disabilities.

'Before, people with disabilities had to hide and we were alone. But now we can come forward and live among other people. We have self-respect.'
U Soe Win, Myanmar

For more on setting up SHGs, see Releasing potential by Isabel Carter. Visit www.tearfund.org/shgs to download a free copy (in English).



PREVIOUS FOOTSTEPS

- FOOTSTEPS 94: Valuing food
- FOOTSTEPS 93: Mobilising local resources
- FOOTSTEPS 80: Micro-enterprise
- FOOTSTEPS 65: Adding value to food
- FOOTSTEPS 35: Micro-enterprise
- FOOTSTEPS 26: Credit schemes
- FOOTSTEPS 11: Accounts and records

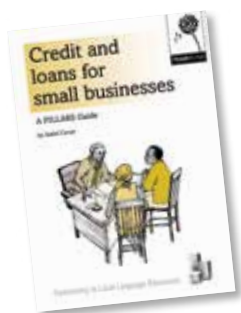
Visit www.tearfund.org/footsteps to download a free copy, or contact us to order paper copies.



PILLARS: CREDIT AND LOANS FOR SMALL BUSINESSES

by Isabel Carter

Tearfund's PILLARS guides provide practical, discussion-based learning. This guide explores ways of obtaining credit or loans, and shares good practice in record-keeping. Available in English, French, Portuguese and Spanish. Visit www.tearfund.org/pillars to download a free copy, or contact us to order a paper copy (costing £8).



THINK LIVELIHOODS!

by Kara Greenblott, Isabel Carter and Debora Randall

This is a manual for helping people and communities affected by HIV to improve their livelihoods. However, much of the information is useful for any livelihoods programme. Contains case studies, training exercises and biblical reflections.

Visit www.tearfund.org/livelihoods to download *Think livelihoods!* free of charge in English, French, Portuguese and Kiswahili. Contact us to order a printed copy in English (costing £6).



SETTING UP A BIBLICALLY BASED BUSINESS

by Michael Clargo

This manual helps people think through all the stages of setting up a successful business. It includes simple explanations and exercises.

Download a free copy from www.reconxile.org or visit www.amazon.co.uk to search for and purchase a paper copy for £8.50. Available in English only.



USEFUL WEBSITES

These websites are in English unless otherwise stated.

www.reconxile.org

The Reconxile website features guides on starting and running a successful business, and a manual for those seeking to train others.

www.chalmers.org

The Chalmers Center provides resources on starting savings groups and managing business finances. Click on Resources, then User Portal, to create an account and view resources in English, French and Spanish.

<https://answers.practicalaction.org>

Practical Action provides practical instructions on many topics related to livelihoods, including food processing and livestock management.

www.microfinancegateway.org

Contains information on microfinance, including a list of microfinance organisations in different countries. Content available in English, French, Spanish and Arabic.

www.vsla.net

VSL Associates offers training and support to international and local NGOs that promote community-managed microfinance.

www.tearfund.org/circular

Features Tearfund's resources on the circular economy (see page 14). Some resources are also available in Portuguese.



PERFECT PICKLES

I would like to share the story of an inspiring entrepreneur from Sindh, Pakistan. Ladha Ram started a pickle-making business in the 1990s. Before this, his family never knew if they would have enough to eat. Then one day a team from Tearfund's partner SSEWA-Pak came to his village and encouraged Ladha Ram and his wife to join the new village savings group.

SSEWA-Pak provided skills training to the group members, and Ladha Ram learnt how to make pickles. He was so excited when he sold his first 10kg of pickles in the village. He reinvested his profits and gradually increased the quantities he made and sold.

He faced many challenges. It took time to develop the perfect pickle recipe, and he had to throw away many batches. At first he did not have proper storage facilities,



Photo: SSEWA-Pak

and heavy rains damaged the pickles. Some shopkeepers refused to buy his pickles, because he was from a different religious group. However, he never gave up, and gradually overcame these obstacles. Last year he proudly reported that he sold 10,000kg of pickles. He now has a wide range of customers, including more than 100 shopkeepers.

Ladha Ram is an inspiration for those who want to do something extraordinary. His business continues to grow and flourish.

ASHRAF MALL, TEARFUND'S COUNTRY REPRESENTATIVE FOR PAKISTAN



KNOTTY PROBLEM

Question: 'How can I find the money to set up or expand my business?'

Answer: The first source of finance you should consider for your business is your own savings, or money you can raise by selling any spare items. The second source you should consider is your family and friends, and their savings. This is because the interest rates on small loans can be very high, and you could find this a considerable burden on your business through the first few months. Borrowing from family and friends can save you a significant amount of money.

Another alternative is savings and loans schemes. These are local groups of about 15–20 people, who each bring their savings together regularly. The group makes loans to its members, and the interest is kept by the group to increase the amount available to lend to other members. The schemes elect their own officers, make their own byelaws and set their own loan terms.

Banks are a difficult option because they are usually not geared up to deal with the small loans that you are likely to be considering. Microfinance organisations are the main alternative to family funding or savings and loan schemes. These organisations are set up to offer small loans and other financial services to people with low incomes. However, do check the interest rates and repayment terms to make sure they are reasonable. Visit www.microfinancegateway.org for information on microfinance organisations in your region.

Whichever source of funding you choose, your business plan will help you plan your income and how and when to make loan repayments.

Answer adapted from Setting up a biblically based business by Michael Clargo. See Resources page for details.

Send us your knotty problems using the addresses below.

FOOTSTEPS

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Footsteps is a magazine linking health and development workers worldwide. It is a way of encouraging Christians of all nations as they work together towards creating wholeness in their communities.

Footsteps is free of charge to grassroots development workers and church leaders. Those who are able to pay can buy a subscription by contacting the Editor. This enables us to continue providing free copies to those most in need.

Readers are invited to contribute views, articles, letters and photos.

Footsteps is also available in French as *Pas à Pas*, in Portuguese as *Passo a Passo* and in Spanish as *Paso a Paso*. It is also available in Hindi.

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INTERVIEW

RETHINKING WASTE IN DRC

Joël Tembo Vwira started the first waste management company in the city of Goma, Democratic Republic of Congo (DRC). In this interview, he shares his experience of his business's astonishing growth...

What was the situation like in Goma before you started your business?

In 2008, Goma was a growing city of 600,000 people without any waste management system. There was a mountain of rubbish almost everywhere. I had a passion for both cleanliness and entrepreneurship from a young age, and was inspired to find a solution.

How did you start your waste collection business?

First we did a market survey. Ten volunteers asked 500 households and 50 businesses about whether they would be willing to pay for waste collection. I then visited Nairobi, Kenya, to learn how waste collection can be done in a city. After that we designed a waste collection plan for Goma, which we presented to the local authorities. We organised an official dump site where the waste could be sorted and recycled where possible.

We raised awareness in the community using radio drama, flyers, face-to-face meetings and church seminars. To raise money to start the business, we sold shares in the company to interested people, mainly members of my church.

We started with just 13 households in August 2008, but a few months later, in early 2009, more than 500 households

and 20 companies were using the service. Today the company is serving more than 1,000 households and 100 companies.

What were the challenges and successes?

Some people in the community were slow to respond. There was a lack of basic infrastructure, such as good roads. We had limited funding to purchase appropriate equipment.

However, we had the support of local universities, who sent students to learn from our activities. The local, national and international media were keen to share our story. We were able to connect with initiatives such as Tearfund's Inspired Individuals programme, the Creation Care Network and Connective Cities (an organisation linking German and African individuals involved in developing their cities).

Why did you decide to shift your focus to recycling?

After eight years, there were about ten other companies doing waste collection in Goma, inspired by our initiative. By this time I had seen the recycling opportunities in other cities around the world, thanks to Connective Cities. I felt it would be better to shift to recycling waste, as this was less common in African cities.

I created a new company, Great Vision Business, and began looking for recycling industries that needed waste as raw materials (paper, plastics, batteries etc). Then I signed contracts with these companies to be their supplier.



Joël Tembo Vwira set up the first waste management company in Goma. Photo: Business and Services Company

The company has raised awareness about protecting the environment through proper recycling. Thanks to our work, many schools and big companies have introduced a policy for recycling paper. I feel we have created a new culture.

What does it mean to you to be a Christian in business?

Being a Christian inspires me to do business differently. Beyond working hard to make a profit (as all business people do), my priority is to ensure my business is a solution to a community problem. Some companies maximise their profit by escaping taxes or being dishonest, but as Christians we should remain in the right even if we sometimes make a loss.

We also have a responsibility to give back to the community, sharing part of the income through community development projects. We should care for human welfare, as well as protecting the environment in the production cycle. To encourage this, my company runs a business academy, which aims to reduce youth unemployment through entrepreneurship. We offer a three-month training course, including individual mentoring.

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