FIELD Best Practice Guide: VOLUME 2

Building Skills for Self-Employment:

Basic Training for Microentrepreneurs

FIELD
Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination

THE ASPEN INSTITUTE
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Building Skills for Self-Employment:
Basic Training for Microentrepreneurs
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Candace Nelson
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FIELD
(Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination)
The Aspen Institute
One Dupont Circle, NW
Suite 700
Washington, DC 20036
(202) 736-1071
www.fieldus.org
Acknowledgments

In writing Building Skills for Self-Employment: Basic Training for Microentrepreneurs, I learned again that the goal of preparing people for successful self-employment is a complex and challenging one. Despite significant variation in mission, target group and services, the overall strategy for most programs almost always includes training. Yet, core business skills training comes in many forms. My challenge has been to understand the reasoning behind each variant, on the one hand, and identify recommended practice, on the other. The former led me to present much of this rich variation in order to capture the reality in the field; the latter forced me to choose, from many good practices, those I wanted to recommend to organizations seeking to improve their training or just starting to think about their training design. The paper includes both, with the hope that readers will find, among the multitude of experiences described here, something that will guide or inspire them in their work.

I want to thank a number of respected practitioners whose insights, experience and guidance were invaluable to me throughout the research process. Special thanks are extended to Agnes Noonan (WESST Corp), Eloise Vitelli (Maine Centers for Women, Work and Community), Greg Walker-Wilson (Mountain Microenterprise Fund), Nancy Swift (Jefferson Economic Development Institute) and Chris Giallongo, consultant and trainer for Jefferson Economic Development Institute, who together served as my advisory panel. They helped me identify key issues for research, offered insights from their experiences to shed light on these issues, referred me to many other related resources, and reviewed drafts of this document.

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Candace Nelson
Consultant
FIELD
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Project Overview

The impetus for this project grew out of years of extensive research by FIELD, the Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination, into the types of training and technical assistance provided by microenterprise programs across the United States. FIELD’s research revealed that although more than 90 percent of all microenterprise programs provide training and technical assistance, there are few resources available to help implementers improve their services and/or assess their efforts against best-practice standards.

This project aims to address that need. Using grant support from the U.S. Small Business Administration and the Charles Stewart Mott Foundation, FIELD has created this series of “best practices” training modules designed to help microenterprise programs deliver more effective training and technical assistance to low-income clients.

These modules are based on lessons learned from FIELD’s past work, as well as from input obtained from leading practitioners, who served as advisors. As funding becomes available, additional guides will be developed. Topics for the first four modules in the series are:

FIELD Best Practice Guide: Volume 1
Entering the Relationship: Finding and Assessing Microenterprise Training Clients explores how program practitioners can conduct market research, develop effective marketing strategies, and appropriately screen and assess incoming clients.

FIELD Best Practice Guide: Volume 2
Building Skills for Self-Employment: Basic Training for Microentrepreneurs offers best practices in core training and their implications for improving training services.

FIELD Best Practice Guide: Volume 3
Training for Microenterprise Development: A Guide to Curricula identifies the characteristics of an effective business-planning curriculum for low-income clients and reviews a set of products currently being marketed to practitioners.

FIELD Best Practice Guide: Volume 4
Keeping It Personalized: Consulting, Coaching & Mentoring for Microentrepreneurs provides a summary of findings from research in business consulting, coaching and mentoring with case-study examples of best practices in all three types of technical assistance targeted to low-income clients.
Introduction

A strong majority of existing and potential entrepreneurs who approach microenterprise development programs in the United States are looking for information, inspiration, advice and support before, or instead of, loans or other financial services. Some know exactly what they need; others are taking the first step down a long road of exploration and self discovery. Programs rely on training to respond to both extremes and the many points in-between. Training offerings have grown in length, number and diversity. In addition, an array of published curricula specifically for microenterprise is now available to the public. Helping those who have operated outside of the mainstream of business and economic opportunity to meet the non-financial challenges to successful entrepreneurship – including gaining knowledge, planning, building support networks and finding the confidence to take the risks inherent in self-employment – has become the mission of many microenterprise programs.

Programs have carried out this mission through different combinations of training and technical assistance. This module explores the first of these inter-related program components, and more specifically, what is commonly referred to as “core” training – the course or series of courses that provides an existing or aspiring entrepreneur with the basic knowledge and skills needed to plan, start or expand a business.

Although training has defied easy measurement and assessment, this module builds on the premise that training is effective with respect to both positive business outcomes and personal growth associated with entrepreneurship. Anecdotal evidence to support this point of departure abounds; in programs across the country, practitioners see it and clients live it. In addition, however, recent research conducted by the Aspen Institute’s FIELD program, in collaboration with five organizations, documents an array of gains among training graduates: high rates of business survival and growth, increases in income, and movement out of poverty, among others.

Evidence of training’s effectiveness creates thirst for more knowledge and deeper insights into those factors that make it so. What features of training design and delivery enhance its effectiveness? This broad question is best addressed via multiple, more specific ones, such as:

1) How do client characteristics influence training design and delivery? How should training be tailored to respond to different client groups? Are there distinct market niches for different training products? How does the institutional mission guide the training response to different markets?

2) What skills do microentrepreneurs really use? Which skills make a difference in achieving positive business outcomes?

3) What is the best way to teach these skills?

4) Should core training also address clients’ non-business readiness issues? What is the best way to do so?

5) How much training is enough?

6) Is there a training approach, incorporating educational philosophy, training methods and trainer demeanor, that enhances effectiveness?

7) How can programs strengthen their capacity to deliver effective training?

How can we begin to answer these questions in the context of diversity that characterizes the microenterprise field – its clients and their challenges, programmatic responses, and institutional settings? The research efforts of the five organizations that participated in the FIELD learning cluster have begun to shed light on some of them. Expanding on this earlier research, this module poses more specific questions regarding training design and delivery, and distills practitioner experience into relevant observations and recommendations.

These observations and recommendations should inform both managers who develop and monitor training, as well as the front-line trainers who deliver it. Some of the discussion captures state-of-the-practice, posing clearly delineated choices about content and format for designers. This rich and varied experience is illustrated with training tips, activities and ideas to support and inspire trainers. Not a straightforward training manual or “how-to” guide, this document attempts to balance current thinking about best practice with illustrative, useful examples.

The document is divided into two parts: text and tools. The narrative text posits “core training” as a set of products that are tailored to different types of clients. The first section of the narrative, thus, begins by identifying these client groups and their distinct training needs. The discussion then tackles training design from two vantage points – content and delivery. The content section explores what is taught – including technical and personal skills – and why. The discussion on delivery examines how this course content can be conveyed to clients to maximize effectiveness. The tools section offers sample job descriptions for trainers, training session outlines that experienced practitioners have found successful, and resources for building staff training skills.
Assessment Tool: Building Skills for Self-Employment

Place a “1” before each statement that is true for your organization. Your point total for each section can be used to assess which parts of this module may be most useful for your microenterprise program.

Market-Oriented Training Design: In our program we have:

__ Identified our target group in function of our mission and capacity.

__ Established a profile of our target clients that includes both business backgrounds and socio-economic characteristics.

__ Determined the likelihood of training homogeneous or heterogeneous client groups.

__ Tailored the design of our core training in function of the characteristics of our target market(s).

If your organization scores fewer than three points above, read the section entitled “Market Oriented Training Design”, starting on Page 11. If your organization scores three or more points, you may want to refer to the sections of the document associated with any points you have missed.

The Content of Core Training: In our program we have:

__ Designed the core training to follow the process of writing a business plan.

__ Made decisions about the core skills to teach as a function of what clients need most to start their businesses.

__ Paid special attention to the challenges of training clients to understand and use financial skills.

__ Assessed how ready our clients are to become self-employed and what non-technical challenges may act as barriers to their success in business.

__ Decided how our training will address these readiness issues.

If your organization scores fewer than three points above, read the section entitled “The Content of Training”, starting on Page 19. If your organization scores three or more points, you may want to refer to the sections of the document associated with any points you have missed.

The Delivery of Core Training: In our program we have:

__ Decided on the format and length of our core training course in function of our overall mission, resources and target group.

__ Selected a curriculum that outlines both the content of the training as well as the process to follow in teaching that content.

__ Learned the principles of effective training for adults.

__ Decided what skills sets we will prioritize in hiring training staff.

__ Developed strategies for building staff training skills.

If your organization scores fewer than three points above, read the section entitled “Training Delivery”, starting on Page 33. If your organization scores three or more points, you may want to refer to the sections of the document associated with any points you have missed.
Market-Oriented Training Design

The core business training offered by hundreds of programs across the country is at once highly diverse and remarkably similar. For the most part, their curricula outline topics that correspond roughly to the components of a business plan. In fact, as will be discussed in greater depth in this module, most courses are structured to teach the skills clients need to develop a comprehensive plan for their businesses. Yet, while some programs teach these topics in 12 hours, others take 92. Some incorporate sessions that help clients address their personal and/or entrepreneurial “readiness” – the strength of their business idea as well as those aspects of their emotional and financial lives that need attention in order for them to embark on starting a business. Others devote significant time to field trips and guest speakers. This diversity can largely be explained by the target group; their differences in life experience, orientation to business, income, gender, educational background, cultural practices and language call for tailored responses that result in a wide range of program designs under the umbrella of core training for self-employment.

However, rather than view the diversity in core training as variations on a theme, it is becoming more appropriate to think about distinct products responding to different markets. Common use of the term “core training” in the field belies this evolution. Although linked by a common objective to help entrepreneurs to plan their businesses, the many shapes and sizes that training has adopted demonstrate that there cannot be one right or most effective way to train clients. In fact, the real lesson of experience lies in the importance of understanding specific target groups and finding the best way to respond to each within the context of the organization’s mission and expertise.

A program’s target market is first defined by its mission. Whether a microenterprise program selects its clientele based on ethnicity, geography, income or gender is first and foremost a function of its mission. FIELD research has shown how a program’s institutional setting can influence its mission, and, hence, its target group.1 Yet, because target groups vary in what they need from training, each one represents a market niche. A common way to dissect this diverse market for training is by standard socio-economic features that distinguish one group from another – gender, ethnicity or income, for example. This section will explore how such features, often acting as barriers – have, in fact, resulted in different programmatic treatment and different training products. But, another way to understand market segments is through the clients’ orientation to, or arrival at, self-employment. Their exposure to business, their motivation to go into business and how they made that decision influence their demand for training, their commitment to it and the outcomes they achieve. Although programs have responded less actively – or less consciously – to this lens on their markets, it holds potential for further refining product offerings to reach more entrepreneurs more effectively. This section explores both views of the market, and how differences among clients influence course content, length and emphasis.

**Orientation and Exposure to Business**

Successful clients often have prior experience with or exposure to business. FIELD findings show that clients with a background in business – either as previous business owners, as members of a family in business, or as long-term employees in one type of business – are more likely to complete training and start or expand a business. These clients are already familiar with business operations; they may be less intimidated by market research; and they may have less confusion around issues of making money, selling themselves, or assigning full market value to their work. Those choosing to open a business closely related to their past work experience have the decided advantage of familiarity.¹

Related to relevant experience are clarity of vision and strength of commitment – both of which have also been linked to successful outcomes. Obviously, experience helps one formulate a clear, more realistic business idea.

Although programs cannot alter their clients’ backgrounds, the importance of business experience and, especially, a clear business idea does suggest the following programmatic responses.

*Programs must emphasize the business idea before, or at a very early point in, the training.*

In fact, programs are increasingly making it a requirement for entry into training. Women’s Initiative has a careful and rigorous screening process to ensure that those selected for core training both meet the criteria for low income and are sufficiently “ready” to participate in training. Staff reports that the most common reason for rejecting an applicant is her lack of a clear business idea. Others emphasize the importance of having a business idea in the early weeks of training. Without such a commitment to one vision, training program participants are challenged to apply the concepts and skills they learn in class; while they may understand the class material illustrated by examples and case studies, they are less able to translate these to their actual businesses. (In the Tools section, see “Finding Your Business Idea” for a workshop design on selecting a business.)

*Clients who do not come into training with the advantage of prior business exposure can benefit from opportunities to gain relevant work and business experience.*

The Detroit Entrepreneurship Institute (DEI) operates three for-profit businesses – a print shop, a retail store and a vending machines service – that offer internships to training graduates. Similarly, DEI arranges job shadowing opportunities for trainees that last about six weeks.

Knowing more about clients’ pathways to business ownership can help programs understand training demand and adjust their response.

There are many paths to business ownership; some act impulsively, seizing an unexpected opportunity; others inherit the responsibility; and many, especially in economically depressed rural areas, choose self-employment out of necessity, as it is the only option for moving beyond minimum wage labor. Focus-group research with self-employed entrepreneurs in Nebraska revealed three “constellations” of entrepreneurs – determined by how they became business owners. Interestingly, the owners in each group described below share common features:

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¹ Edgcomb and others.
Impulse buyers: Owners invested little time in planning before starting or buying their businesses. They approach it with a “sink or swim” attitude; work hard; learn by their mistakes; and operate independently, resisting professional services, training (no time, they say), and community organizations.

Dreamers: These owners always had a dream to open a business, and were emotionally motivated. While willing to ask questions, they did not seek out training.

Planners: These owners did their research and prepared carefully for business ownership. They sought information from trade organizations, business centers and the Internet. They were more likely to have the requisite expertise for the business; they put their personal finances in order and sought out relationships with banks and other professionals.

Clearly each of these groups of owners constitutes a slightly different audience for training, with different demands. The planners are obviously strong candidates for a thorough business planning course, while members of the other two groups are less likely to make the time commitment that a full course requires. In contrast, short-term training products that respond to specific and immediate needs might be more useful to this type of client. Following similar criteria of easy access and on-time delivery, focus-group participants identified “lifesaver” newsletters on critical topics, such as sales-tax forms, as another training-information product for this type of entrepreneur.

Socio-Economic Characteristics that Influence the Training Product

An underlying common theme among microenterprise programs is reaching out to those who experience a “poverty of access” to business development services. This broad, inclusive definition of the field’s clientele encompasses many barriers that keep people out of the mainstream of economic life. Although interrelated, each of these characteristics calls for its own response as discussed below.

Low-income and TANF Clients

Training for low-income clients and those on TANF is influenced by multiple factors ranging from personal life challenges to the requirements of the TANF system, and result in significant differences in how programs address these clients. In addition, the predominance of women in the TANF system and the significant overlap, in general, between women and low-income clients adds a gender lens to factors that influence training design for this group. These factors include:

- the need for case management services to resolve logistical barriers to participation in training, such as childcare, housing and transportation;
- life crises, emotional barriers and personal management skills that clients need to address;
- weaker academic skills and math literacy; many participants have had negative experiences in formal academic settings, are not comfortable taking notes, have difficulty sitting still in class, and are challenged by the analysis and writing that a business plan requires;
- the need to learn basic financial tools of the economic system (i.e., economic literacy);
- TANF work requirements that may influence the number of hours per week clients participate in training.

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4 The focus-group discussions were conducted in Nebraska in March 2002 by the Nebraska Microenterprise Partnership Fund and the EDGE program with a total of 30 microentrepreneurs. The focus-group report is available from the Nebraska Microenterprise Partnership Fund. Contact Rose Jasperson at rosej@alltel.net.

In light of these considerations, programs serving this clientele should consider the following recommendations:

**Incorporate personal effectiveness and economic literacy components in core training.** Most programs serving low-income clients include curricula that address self-esteem, time management, communication skills, goal setting, building a support system and coping with stress. While perhaps experienced by both low-income men and women, the latter seem to be more vulnerable to the negative effects of these barriers, and are more open to confronting them. Programs that incorporate specific personal effectiveness components tend to be women-focused.

Economic literacy teaches the “language of money,” building the foundation for the more demanding financial management tasks associated with self-employment. It is important for programs to assess what clients in their target markets know about basic financial tools and systems, such as banking, taxes and personal budgeting. Beyond these basics, clients may need to learn early on about credit: How to access their credit report, repair their credit history and use credit to finance their businesses. Often an economic literacy curriculum will incorporate asset building, including savings and home ownership. Its goals are both short- and long-term. In the short-term, clients need to straighten out their personal finances before they will be able to understand and implement systems for managing business finances. Over time, training in economic literacy helps participants to better understand their financial options, and to set realistic goals and develop a plan to realize them.

Training hours dedicated to these components range from a high of 33.5 hours to a low of 3.5 hours.\(^6\)

*Allow more time for clients to complete the core course, offering more class hours over a longer period.* Given their different learning agenda, TANF and low-income clients generally require more time in training. Weaker language and math skills call for slower progression through the technical business topics, and require more time for their mastery. In addition, the inclusion of distinct personal effectiveness or economic literacy components tends to extend time in training by an average of 20 hours. For TANF clients who enroll in business training in lieu of going to work, the program must meet for a minimum number of hours per week, which is determined by each state. In Michigan, DEI's core business training for TANF clients meets 30 hours per week for 11 weeks.

*Consider separating very low income and TANF from non-TANF clients for training (if possible, depending on the numbers of each in a group).* Given the additional time this clientele requires for both the technical and personal-effectiveness training, programs serving this target group in significant numbers tend to separate them in different classes with different time-tables and curricula. Low- to middle-income clients are often frustrated by and impatient with the class time that TANF clients seek to spend discussing personal issues. Consequently, programs that mix client groups in one class, because they do not have enough TANF clients to constitute a separate class, either minimize the amount of time allocated to personal-effectiveness topics, or organize separate support groups that are required of TANF clients only.\(^7\)

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\(^7\) Klein.
Recent Immigrants, Bilingual and Culturally Diverse Clients

Across the country, and well beyond those areas long recognized for their concentrations of Latinos, programs are responding to the rising number of Hispanic aspiring entrepreneurs. Dozens of organizations have added business training in Spanish to their services. In addition, formerly homogeneous communities, including traditional farm towns, are now home to a wide array of immigrants from distant corners of the world – Cambodia, Ethiopia, Somalia, Eastern Europe and the Middle East. While language is perhaps the most obvious factor affecting training for these groups, they come to the classroom with a host of other mitigating characteristics and circumstances, as well.

Perhaps the common theme drawing such diverse but aspiring entrepreneurs together is the challenge of learning about and accepting the well-developed systems that condition the process of operating a business in the United States. In most developing countries, the informal sector is huge and self-employment commonplace. People from these types of economies often arrive in the U.S. with significant business experience, but are frustrated by the legal issues, regulations, licenses and taxes they encounter trying to set up a business here. Those who are agile operators in black markets, know how to cope with widespread corruption, or have flourished in state-run industries are equally challenged by the U.S. business context. They tend to be in a hurry to start their businesses; they want unrealistic loan amounts, they expect booming business immediately and they are impatient with operating by the book. The following recommendations offer some guidance for training design with this clientele.

Adjust communications for non-English speakers. A large market of immigrants who speak the same language may justify developing training in that language, complete with fluent trainers and written materials. Many programs now offer Spanish language training.

In St. Paul, NDC offers business training in four languages: Spanish, Oromo, Somali and Hmong.

However, classes populated by native speakers of numerous languages use English as the common bond. These programs revise the level of English used in training – vocabulary, sentence structure and concepts – down to the simplest level possible. Kay Stanton of the Center for Microenterprise Development at Jewish and Vocational Service in Louisville, Ky., estimates their course is written at the fourth grade level.

Box 1: Alternativas para Latinas En Autosuficiencia (ALAS)

A 20-week program of Women’s Initiative, the ALAS curriculum has four modules in contrast to the three of its English equivalent. They are, in order:

“Cuidando Mi Bolsillo” (four weeks), an economic literacy module, covers such topics as credit, savings, time management and banking.

“Explorando Mi Negocio” (five weeks) looks at legal issues, licenses and market research.

“Desarrollando Mi Idea de Negocio” (seven weeks): By this third course, clients need to have a clearly identified business idea and focus on financing and cash flow.

“Escribiendo Mi Plan de Negocio” (four weeks) helps those who want to apply for a loan to write their business plans on a computer. At this point, they learn three things at the same time: computer skills, putting ideas on paper and calculations.

If translators are brought into the classroom (for several different languages), they should know the curriculum in advance and help the trainer understand how clients are grasping the material. Bilingual visual aids and activities that do not rely solely on language can be very helpful.

*Mitigate language barriers with simple technologies and visual, pictorial examples.* The Alternativas para Latinas En Autosuficiencia (ALAS) program of Women’s Initiative gives clients tape recorders, so they can complete assignments orally; they write their business plans in class on a computer. Coastal Enterprises Inc. (CEI) uses the same format for each class session; once the clients understand this process, they can focus more on the content instead of trying to figure out what the instructor wants them to do.

*Adapt the curriculum by adjusting content and/or shifting its emphasis.* Most organizations have learned that they cannot simply translate their English curricula into Spanish and proceed with training. For obvious reasons, they move through the material more slowly. Many spend more time on economic literacy and personal finance, because these basics are still new to clients. Many programs spend more time on the legal and regulatory aspects of business operation in the U.S., in response to clients’ frustration and feelings of intimidation. These clients fear the legal consequences of not playing by rules they struggle to understand.

Several programs report that a stronger emphasis on the operational aspects of business for non-English speakers is accompanied by more individual technical assistance in procuring the relevant forms and applications, as well as translating and completing them. Good Work estimates that the time spent just translating professional services for clients explains its three-to-one ratio of technical services for Latino and English clients respectively.

*Acknowledge in concrete ways those cultural and ethnic characteristics that distinguish the clients’ vision of, and approach to, business.* In its “Start Smart” course for recent arrivals to the U.S., CEI uses the first session to clarify the difference between business in their home countries and here. Although NDC works with multiple ethnic groups in their own language, it has not significantly revised its written language curriculum. The adaptation of the English occurs in the dialogue.

### Box 2: Good Work, Durham, North Carolina

Three years ago, Good Work translated its English curriculum, entitled “Building Your Business,” into Spanish to train recent immigrants. But, with experience, the organization came to realize that they could not simply do in Spanish exactly what they did in English. Certain themes – notably, the legal and regulatory aspects of business operations – required more attention. While staff found that Hispanics are very entrepreneurial, they also found that they are unfamiliar with U.S. laws and regulations, which do not resonate with their home country experience in the ubiquitous and unregulated informal sector. Consequently, they spend less time on the financials and a business plan, which are very challenging, and more time on regulatory issues. Those, and they are many, who start their own landscaping or cleaning service with money from family and friends do not need a business plan initially. When these clients are ready to apply for a loan, the organization will help them develop one.

Over time, Good Work has also adapted other aspects of the curriculum to its Hispanic clients. Trainers use different exercises and case studies. They spend more time on basic economic literacy, including opening a bank account and forms of credit. The Spanish “Construyendo Su Negocio” is a six-week course taught on Saturdays (the English class meets on weeknights) to accommodate clients who typically work a day job and a night job.
between the trainer and participants. With a group of Native American clients, the trainer asks everyone to state the tribe with which he or she is registered, and then initiates a discussion about why it can be difficult to do business in that culture.

With Muslim participants, trainers acknowledge their frustration with the formality of doing business in the U.S. as well as their mistrust of government and banks. The religious taboo against charging interest has played an important role in NDC’s relationship with this clientele. In the Twin Cities, Somalis do not want training; they want financing and they want it interest free. In response, NDC has developed reba-free (interest free) financing products. Somalis who present a complete business plan can qualify for these products without attending NDC’s core training. To help these clients prepare their business plans, NDC provides individual technical assistance, from both its own staff and Muslim business consultants who specialize in the type of interest-free financing deals being piloted.

Rural Residents

Programs serving rural entrepreneurs are experimenting with distance learning, incubators and exposure visits as strategies to confront their isolation from mainstream markets and higher costs of attending training in distant locations.

Training for rural entrepreneurs is significantly influenced by their isolation. Rural residents are choosing self-employment because they often do not have other options for economic advancement. Close to home, there are few jobs that pay more than minimum wage and fewer career opportunities. While motivation may be high for this reason, programs still confront a significant level of independence and mistrust that require finding ways to make inroads with the local population. Yet, once “in,” programs don’t have the luxury of planning a course based on a common set of characteristics; given geographic dispersion in any group, they must accommodate a wide spectrum of client types. The higher costs of participation, in terms of time spent traveling to and from training, have led to shorter courses for this clientele, and growing interest in video conferencing and other distance learning technologies (see Box 3 on the following page.) Furthermore, weak local economies often point to the need for programs to help their clients access other, less familiar markets, prompting practitioners to emphasize the importance of exposing these clients to resources outside of their immediate communities via field trips, networking events, speakers and site visits.

Women

Training for women differs more in style than content.

Collectively, microenterprise programs serve more women than men. Some clients are transitioning from homemaker to income earner; some are victims of economic shifts and seek self-employment as a response to unemployment; and many are low income. That women are drawn to microenterprise across ethnic and income lines makes it challenging to isolate characteristics that should influence training for them. Yet, experienced practitioners agree that training women is different from training men. Typically, in training, they prefer a safe learning environment and the support of other women; they want to be taken seriously and they seek acknowledgement of their need to balance personal and business responsibilities; and they place high value on the opportunity to network with others in a similar position. As they explore self-employment, women face unique questions. How will I manage both home and business? Can I carve out the time and space for my business? How can my social networks help me do this? How will my entry to business threaten these networks? In sum, training for women differs little
on the technical aspects of business planning, but needs to be attentive to issues of respect, women’s classic double burden and emotional support.

**Box 3: Training Via Video Conference in the Siskiyou Mountains**

In northern California, just south of the Oregon border, the Jefferson Economic Development Institute (JEDI) works in close partnership with the College of Siskiyous to offer business training to rural residents. This community college has established a video conferencing center at its main campus in Weed, Calif., with three satellites, two of which are located in very remote communities. JEDI has used this technology to pilot its full 12-session, 36-hour core training course to rural entrepreneurs whom it cannot otherwise serve.

Connected by phone line and television screens, participants at the four sites can talk to and see each other. Cameras can project the speaker (because it is voice activated, the camera switches focus to anyone in any of the sites who wants to ask a question or make a comment), the white board where the trainer is writing, and any document on her computer screen. During a session on market research, for example, the trainer took participants on a tour of useful Web sites.

In its pilot video conference course, JEDI had 12 participants at the central video center (in person with the trainer), five at the satellite college campus and three in each of the remote sites, for a total of 23. Herein lies a principle advantage of this technology; JEDI trainer Chris Giallongo admits that when trying to organize the course in the past at the main site, she has been challenged to meet the College’s minimum enrollment of 15. With video conferencing, however, she well exceeded that enrollment requirement.

Training 23 people at four sites inhibits the group solidarity and peer support that is a hallmark of microenterprise core training. Yet, Giallongo claims that members of each subgroup grew very close; to support this, she conducted at least one session from each site. Furthermore, a fax machine at each location enables participants to exchange assignments or projects they are working on for feedback from peers.

Otherwise, Giallongo did not have to change her content or approach very significantly. She did need to learn the technology and had a technician with her every session. Despite its significant expense (both the equipment and the phone time are very costly), the College supports JEDI’s plans to repeat the experience as an effective way to reach remote communities.

These different client types can be considered as market segments or niches for which programs can tailor services and training products. While it is useful to know the client’s socio-economic profile, those designing training also need to consider less clearly defined markers of their potential markets, such as the pathway to business ownership, psychological barriers or degree of marginalization from mainstream financial services. Some programs specialize in one target market; Women’s Initiative, for example, serves low-income women. Those that serve diverse clientele, on the other hand, are beginning to respond with multiple-options for training. While WESST Corp. offers a 16-week core training course geared to low-income, aspiring entrepreneurs (e.g., those interested in starting a business), it also offers a shorter five-week class just on business planning that is more appropriate for those who may be beyond the basics. And, its highly successful “Perfect Pitch” is a marketing course for experienced entrepreneurs. Similarly, the Maine Centers for Women, Work and Community offers several workshops in addition to its core 90-hour “New Ventures” course. The conception of core training as related, but different and evolving products underlies the following discussions about content and delivery, exerting a particularly strong influence over course structure and schedule.
Diverse client characteristics and types of client groups have led to multiple variations in the content and delivery of training. The previous discussion of these characteristics cites concepts and features of core business training that merit further exploration, such as “readiness,” “personal effectiveness” and “economic literacy.” But, at the core of core training is a set of concepts and skills that are “strictly business,” and provide the technical foundation for starting and operating an enterprise. This section begins with these skills – planning, marketing, management and finances. While seemingly straightforward and common across all businesses, these skills are challenging to teach, because each client group arrives in the classroom with its own educational or personal obstacles, as indicated above. Some of these obstacles require special attention to the teaching of technical skills on the agenda; others call for additional components addressing clients’ readiness that will help them to master the technical side. For both of these strategies, this section explores how programs define and operationalize them in relation to specific client groups, and highlights recommended practice.

Most core business training is organized around the key concepts and skills in the components of a business plan. The one outlined in Box 4 is just one example among many. While actual business plan formats vary in their details, the four common components are: 1) a business description; 2) a marketing plan; 3) an operations and management plan; and 4) a financial plan.

The common focus is on helping clients learn the process of planning a business. While the four basic stages of this process are each essential to successful business planning, clients respond to them differently. Some topics, like marketing, tend to be more interesting and captivating; others, like financial record-keeping, are difficult. That a business plan requires varied skills to complete raises key questions about which of these many skills clients really use, which are most helpful to them, and when and how programs should adjust their training as a result.

<table>
<thead>
<tr>
<th>Box 4: Sample Business Plan Outline</th>
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<tbody>
<tr>
<td><strong>Business Description</strong></td>
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<tr>
<td>Mission Statement</td>
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<tr>
<td>Business Background</td>
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<tr>
<td>Description of Products and Services</td>
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<tr>
<td><strong>Market Analysis</strong></td>
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<tr>
<td>Target Market</td>
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<tr>
<td>Industry Trends</td>
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<tr>
<td>Competition Analysis</td>
</tr>
<tr>
<td>Customer Analysis</td>
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<tr>
<td><strong>Marketing Plan</strong></td>
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<tr>
<td>Marketing Position</td>
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<tr>
<td>Pricing</td>
</tr>
<tr>
<td>Marketing Mix</td>
</tr>
<tr>
<td>Sales Projections</td>
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<tr>
<td><strong>Operations</strong></td>
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<tr>
<td>Production Process</td>
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<tr>
<td>Material and Supplies</td>
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<tr>
<td>Inventory</td>
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<tr>
<td>Tools, Equipment, Furniture, Facilities</td>
</tr>
<tr>
<td><strong>Management Administrative Structure</strong></td>
</tr>
<tr>
<td>Owner’s Background and Experience</td>
</tr>
<tr>
<td>Business Advisors</td>
</tr>
<tr>
<td>Personnel Plan</td>
</tr>
<tr>
<td><strong>Financial Analysis/Plan</strong></td>
</tr>
<tr>
<td>Start-up/Expansion Costs</td>
</tr>
<tr>
<td>Financing</td>
</tr>
<tr>
<td>Financial Statements (Cash Flow</td>
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<tr>
<td>Projections, Years 1-2-3)</td>
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<tr>
<td><strong>Risk Management</strong></td>
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</table>
**Key Skills and Tips for Teaching Them**

FIELD research shows that clients use different skills depending on 1) the stage of development of their businesses; 2) how well they have mastered the skill itself; and 3) their level of confidence. For example, in the early stages of operating a business, clients place highest value on maintaining their focus on their business vision; simple, low-cost marketing; and basic record-keeping. As they develop their businesses, they become more interested in knowing their competition and adjusting their pricing strategy, reflecting maturing needs to maintain market presence or achieve a larger share. The more successful entrepreneurs report consistent use of key financial skills (keeping records, break-even analysis and pricing), while other clients are less inclined to do so. High earners among daycare providers are those who were able to recruit parents capable of paying standard rates and resist the pressure to undercharge friends and family. Such trends indicate both the value of basic financial skills to business performance and the likelihood that lower levels of skill and confidence affect their use. What implications do these variations have for training design? What can trainers do to ensure better mastery and uptake of key skills? Reflecting client reports of those most useful and used, this discussion focuses on marketing and finances.

**Marketing Skills**

Marketing is a favorite topic in training for both clients and instructors. It lends itself to creative activities like writing and performing a 30-second commercial; designing phrases, images and musical jingles to capture the benefits of a product or service; and developing a full-fledged sales pitch. These activities offer opportunities to engage clients’ different learning styles (visual, oral, or tactile) and work from their individual strengths. And, the act of describing a business, both succinctly in a short take as well as in the greater detail of a longer sales pitch, helps the client repeat and refine his or her vision. Graduates of the Northeast

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**Box 5: Two Metaphors for Target Market**

Both of these exercises use metaphors to visually illustrate the funneling of defining one’s real customer.

**A four-layer cake:** Bake a cake with three round layers, each layer slightly smaller than the layer below it, and top it off with a cupcake. This is your marketing cake.

Now, imagine that you want to start a daycare business. Use toothpicks and blank business cards to label and discuss each layer as follows:

“**Total market**” (bottom layer) – the people who live in your town

“**Total prospects**” (next layer) – all the working parents in your town with pre-school aged children

“**My prospects**” (next layer) – all the working parents in your neighborhood who require daycare

“**My buyers**” (the cupcake!) – the working parents in your neighborhood who use your daycare to solve their daycare needs.

During the break, eat the cake!


**An Archery Target:** Draw a target on the board or flipchart. Read a description of a business idea and ask participants to write three target markets for this business on post-it notes. Ask them to place each post-it note on the appropriate ring of the target (according to its proximity to the REAL target market). Discuss the choices that have been made. Give participants the opportunity to move post-it notes to different rings, if they disagree with the original placement. Which target market belongs in the bull’s eye?


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* Edgcomb and others.
Entrepreneur Fund’s CORE FOUR® course report that the most valuable information they got from training was related to marketing. They have found it very useful to carefully specify who their customers are, to track the results of their advertising investments and to try new marketing techniques. The process of learning these skills really engages the client both emotionally and intellectually with his or her business, and is relevant in the start-up phase.

Core training should focus on those aspects of marketing that an entrepreneur needs to get started – who the customers are and how to get to them.

Despite the apparent popularity of this part of core training, marketing poses a persistent challenge to both trainers and entrepreneurs, because it is a moving target that entrepreneurs have to keep up with as their businesses evolve. Given changing needs in marketing, core training should focus on its two basic components (which will not be wasted on those who already operate a business): 1) market research to determine the feasibility of the business idea and 2) planning and implementing the tasks associated with getting the word out. Box 6 shows how the Jefferson Economic Development Institute distinguishes between the two.

<table>
<thead>
<tr>
<th>Topics</th>
<th>Possible Training Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market Research</strong> answers questions about the viability of the client’s business idea:</td>
<td></td>
</tr>
<tr>
<td>1. What do I want my business to be? Is it to be a full-time or part-time occupation?</td>
<td>1. Visioning exercise 10</td>
</tr>
<tr>
<td>2. What is my customer profile and target market? (What can census data tell me about the size of this market? How do the numbers change as I get more specific about who my clients are likely to be?)</td>
<td>2. Visit to library or other resource center to learn about data sources that can help address “size of market” questions.</td>
</tr>
<tr>
<td>3. What qualities of my product or service will attract my customers? (Who knows about this clientele or my product and can serve as a key informant?)</td>
<td>3. Identify key informants and interview them (homework assignment).</td>
</tr>
<tr>
<td>4. Who is my competition? How do I compare on service, quality, price, etc.?</td>
<td>4. Identify and visit other similar businesses, posing as a “customer” (homework assignment).</td>
</tr>
<tr>
<td><strong>Marketing</strong> addresses how the client will advertise his business:</td>
<td></td>
</tr>
<tr>
<td>2. What basic market strategies will work best for me and my business?</td>
<td>2. Present market strategies; illustrate with examples; have clients select the ones they find most appropriate; discuss reasons for choices with group.</td>
</tr>
</tbody>
</table>

10 Two examples: 1) Ask participants to write down three to five words that describe them as a business owner; ask for volunteers to share and explain their word choices. 2) In pairs, ask participants to interview each other with such questions as: What are your business vision and goals for the first year? What will your first product or service be? Do you plan to add others? What are your goals for the next three to five years?
Beyond these basics, clients’ use of marketing skills evolves over time from communication about the business to more sophisticated market analysis, especially the competition. That marketing challenges repeatedly command attention points to the value of more specialized advanced workshops beyond the scope of core training. WESST Corporation in New Mexico rates marketing as the key to business growth among existing entrepreneurs – the point at which clients have to both become more technical and analytical in their marketing as well as confront their own fears about engaging their businesses at this higher level.

Box 7: Tap Many Minds for Marketing Ideas

Review low-cost marketing techniques with the class. What examples have they seen? Offer examples of creative ideas people have used, like the two described below. Divide participants into small groups and give each group a sample business for which they have to create at least two marketing activities. Or, each group can select one of its member’s businesses to work with.

Creative, low-cost marketing

An owner of a bed and breakfast in a summer resort town bakes special cookies and places them on colorful, funky plates she finds at yard sales. On a regular basis, she delivers such a cookie plate to the ladies who volunteer at the visitor center, along with a stack of business cards, of course. (Source: Susan Martin, Northeast Entrepreneur Fund CORE FOUR® trainer and owner of “Moosebirds” B&B.)

Deciding to target young single adults with disposable incomes, owners of a balloon business staged deliveries of balloon bouquets on Friday and Saturday nights in nightclubs and restaurants all over town. They recycled the same bouquet and passed out business cards to everyone. (Source: Theresia Paauwe and Linda Gilkerson, Trainer’s Manual for Self-Employment: From Dream to Reality, 1999.)

Basic Financial Skills

While clients have fun with marketing, they often struggle with financial record-keeping and analysis. They report a new appreciation of the importance of break-even analysis, cash flow projections and overall financial planning as a result of training, but there is a widespread acknowledgement among practitioners that clients generally do not, or cannot, apply these skills. In follow-up interviews with its clients at six-, 12- and 18-month intervals, Women’s Initiative found that clients used financial skills least. 11 Frequently, programs report that weak financial skills show up on loan applications. This is not surprising; trainers report that these are the hardest skills to teach and clients commonly claim that they are the hardest ones to learn.

Yet, they may also be the most critical in terms of achieving positive business outcomes. Women’s Initiative’s most successful clients consistently reported frequent use of basic financial skills. At each reporting interval (six, 12 and 18 months), they claimed to be strongly focused on keeping records, and using break-even analysis and appropriate pricing. And, any entrepreneur applying for a loan must be able to demonstrate thorough research on costs and an ability to develop good financial projections as part of the required business plan.

11 Edgcomb and others.
Clearly, teaching basic financial skills to entrepreneurs is a widely felt challenge that cannot be ignored. Programs are responding by allocating more time to the task; spreading it out across the course, and finding ways to make the skills less intimidating. The following recommendations are culled from recent practitioner experience:

Don’t leave the financial skills to the end of the core training course. Teach them in smaller units spread throughout the curriculum. Mountain Microenterprise Fund has placed the financial topics in the first three weeks of its seven-week curriculum, starting with personal budgeting in the first session. This way, clients who get bogged down have time to seek help and catch up before the end of the course. Having acknowledged the challenging nature of financial skills for both trainer and client, Women’s Initiative is in the process of revising its curriculum to include a financial skill in each session, starting with establishing a financial baseline and setting goals, and ending with calculating the funding requirements to start or expand the business.

Teach the most necessary skills to start. Although programs vary in their definition of “necessary” or “basic,” there is broad consensus that record-keeping, break-even analysis, pricing and cash flow are key skills. Many programs have dropped, or place less emphasis on, financial statements (e.g., balance sheet, and profit and loss statement). And, as noted earlier, programs serving immigrants and non-native speakers of English focus less on even the basic financial topics, in order to spend more time on legal and licensing issues. The key is to assess the clientele and which skills they will actually use most, or which will cause the biggest problems if they are not used.

Work on interpreting the numbers. Trainers need to find ways to help clients understand what the numbers tell them about the business. Getting the math right is secondary. Learning the mechanics of creating a cash flow takes clients down a path fraught with potential for calculation error that serves to feed their fear. Yet, the ability to interpret the numbers can help build a certain passion for them. To this end, trainers can provide different scenarios depicted by business financials for clients to compare. Use of electronic spread sheets enables clients to work with different sets of assumptions and see, without undertaking the tedious calculations themselves, how the numbers change and what those changes mean for the business.
The training materials created by REAL Enterprises include such “techno options” for financial topics. Using an electronic spread sheet connected to a case study they have worked with in class, the learners analyze a number of “what if” statements or alternative scenarios. (See Tools section for a sample REAL Enterprises, Inc. session design.)

Provide clients the opportunity to apply financial skills to their own businesses. In class, work on financials typically occurs with a case study or series of examples. Clients need to perform the same record-keeping, costing, pricing and projections for their own businesses. Translating from a fictitious case to their own reality is intimidating and confusing, as no one example can model closely how financials need to be treated for dozens of different businesses. Most programs assign this translation from example to actual business as homework between sessions.

Make homework meaningful. To ease this intimidating transition, from group work in class to individual work alone at home, some trainers now allocate class time to start homework. The trainers at Northeast Entrepreneur Fund and the Mountain Microenterprise Fund report that they want clients to start their homework in class, so that they are reminded of the task and how to do it when they sit down at home several days later. In addition, clients should have time to review their homework and ask questions at the following session. This is particularly important when the homework assignments are designed to fill in parts of the business plan.

Combine classroom training and individual technical assistance during the period of core training, as opposed to sequentially. There are usually not enough classroom hours to review each participant’s work on his or her business individually; yet, the successful application of financial skills to his or her own situation is the key to mastery. The Neighborhood Development Center has designed its 16-week core training to be evenly divided between classroom training and one-on-one consultation. Women’s Initiative trainers claim that individual technical assistance is the only way to ensure that clients are on the right track with their own cash flow projections.

Offer separate workshops on financial skills and/or business planning. One core course cannot teach everything an entrepreneur needs to know. This is especially true for financial skills. While clients may understand the importance of these skills, they lack the confidence to apply them. Many programs are challenged by the gap between clients’ skill level at the end of training and that required for a successful loan application – a gap that is typically filled by high levels of one-on-one technical assistance. To close that gap more efficiently, programs are introducing advanced courses for financial management and/or writing a business plan. Offering such courses when the client is ready to seek financing links the supply and demand for training, increasing chances of effectiveness. Even so, they can be a hard sell. Once up and running, new entrepreneurs don’t have the time for more training. They may also be unwilling to admit their weakness in this area, or afraid to publicly accept the challenge of trying to master the material. Programs acknowledge that a combination of advanced training and individual technical assistance is required to both address company-specific systems and data and build client trust.

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**Box 9: Acronyms Help People Remember**

MMF teaches the acronym “USAIIR” to help clients remember the various fixed costs:

- **U** utilities
- **S** salaries
- **A** advertising
- **I** insurance
- **I** interest
- **R** rent

The Content of Training

The Business Plan: Process and Product

The business plan is both a process and a product. With or without a completed plan, learning the process of developing one is highly valuable.

While the information and skills required to complete a business plan provide the framework for core training, the actual plan itself is not always its required product. In its research, FIELD found that business plan completion is a good indicator of positive business outcomes. One reason is obvious – because most lenders require a business plan, clients who have completed one are much more likely to secure financing. It is not surprising that clients of the Institute for Social and Economic Development in Iowa who had a business plan were 45 percent more likely to have made progress on financing. They were 24 percent more likely to start a business after training. The business plan is evidence of commitment to a business idea and the intention to move toward making it real.

Nevertheless, programs are divided over making a business plan a requirement of graduation. Those that do not require a business plan contend that writing one is a time-consuming and challenging task that places too much pressure on clients. Some argue that the poor quality of the plans clients write is not worth the extra effort of making it a requirement. Not all clients who complete the course will choose to proceed with a business; some discover along the way that self-employment is not the right option for them, and therefore, have no incentive to write a business plan. These clients should be entitled to graduate, if they otherwise complete the course.

Advocates of a required business plan point to the sense of pride and accomplishment its completion gives clients. Working towards this finished product demonstrates that clients have captured the process, understanding the discrete steps along the way. When the business plan is a compilation of required homework assignments, its completion strengthens the mutual accountability and expectations between the program and participants that have proven to be measures of training effectiveness.\textsuperscript{12} It should be noted that most programs enforce their business plan requirement with a fair amount of flexibility – that is, they are more interested in

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\textsuperscript{12} Edgcomb and others.

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**Box 10: Have FUN Determining Cost of Goods Sold**

**Materials:** Flip chart and markers, play food (sandwich items), cardboard sign

Use a sign board to indicate the presence of a business in the classroom and take on the persona of the owner. Ask for a volunteer to be the customer. As an example, let’s visit Sarah Sue’s Sandwich Shop.

From a menu with one item on it, the customer orders a sandwich, and you, the owner, prepare and deliver it, using the play food. Ask the volunteer to hold up the sandwich for everyone to see, and identify each ingredient (e.g., bread, cheese, slice of meat, tomato, lettuce). Ask the class to suggest costs for each of these ingredients. Write the ingredients and their costs on a flip chart. Don’t forget to include an amount for your labor to make the sandwich. When your list is complete, add up the amounts and identify this total as the cost of goods sold for this sandwich.

Ask for suggestions of another product or service and repeat the process of identifying all of its individual components or ingredients and their costs to arrive at the cost of goods sold.

*Source: Adapted from Self-Employment: From Dream to Reality, Linda Gilkerson and Theresia Paauwe, 1998.*
the research and thought required during the process than the written product. Otherwise, “canned” fill-in-the-blank business plan formats would be more popular among microenterprise programs. Only by working through this process can clients take ownership of their plans and make them meaningful.

The cases of the Northeast Entrepreneur Fund and Mountain Microenterprise Fund illustrate both positions.

**Box 11: A Business Plan without a Business Does Not Equal Success**

The Northeast Entrepreneur Fund is committed to introducing clients to the process of business planning in its 12-hour CORE FOUR® course. In fact, each of the CORE FOUR® sessions correspond to a distinct type of planning a business need. But clients are not required to complete a business plan. Staff encourages trainees to develop a business plan and use it as a guide, to help them maintain their focus on their goals. However, they argue that a good business plan takes a long time to research and write. Clients should not write one only because it is required to graduate. NEEF staff believes that if clients have a business plan but no business, the organization has not accomplished its goal.

The bottom line is that NEEF respects the busy lives of clients and has designed CORE FOUR® with that in mind. Its short duration allows participants to decide for themselves whether and how they will proceed with their business ideas. Staff recognizes that most clients will need individual help to bring their businesses up to speed, in order to apply for a loan; they feel that this goal cannot be accomplished in the classroom. After the course, CORE FOUR® trainers continue to develop their relationship with clients as business consultants; much of the technical assistance they provide is dedicated to helping individual clients complete their business plans in preparation for securing financing.

**Box 12: Mountain Microenterprise Fund Changed its Policy**

In its conscious effort to put the principles of adult learning into practice, including the idea that adults are responsible for their own learning, MMF initially held that the decision to write a business plan should be left to the client. Yet, MMF has changed its policy, making a business plan a requirement of graduation. They made this change because clients asked them to. Clients said that when a business plan was not mandatory, they would never get to it. They would lose motivation or forget how to develop certain pieces of it. Requiring a business plan for graduation lends the program additional weight and gives clients a bigger “bang for their buck.” Clients wanted to be held accountable and accomplish something tangible.

Although MMF talks tough, it is flexible in what is actually required. A client who prepares nothing cannot graduate. Participants are expected, at the very least to make a three- to five-minute oral presentation of their business plans to the class; even this can be very intimidating. After training, if graduates choose to join an MMF peer lending group, they will have to prepare a business plan as part of their loan application. However, it does not have to be polished. A peer group may send a member back to the drawing board to improve his or her business plan, but it doesn’t necessarily veto loan applications based on plan quality. Because peer group loans are small, MMF can afford some leniency. When MMF starts making larger, individual loans, it will have to evaluate the core training for its ability to teach people how to produce acceptable business plans.
Recognizing both the significant challenge of completing a business plan and the importance of holding clients accountable to agreed upon goals, some programs offer alternatives to business plan completion that constitute a middle ground. The New Ventures program of the Maine Centers for Women, Work and Community requires a business plan for graduation. However, in keeping with its mission to help women achieve economic security, a client who chooses not to follow through with her business may present an alternative career plan in its stead which may include continued education, training or employment. At the Jefferson Economic Development Initiative, only a third of trainees complete a business plan. But, everyone has to make a presentation to the class outlining: 1) what they know now that they did not know before the class; 2) what their next steps are; and 3) what progress they have made on the three goals they set at the beginning of the class (personal income goals, goal for first year sales growth, and task to complete by the end of the course, such as getting business cards, renting space, etc.).

In truth, whether a core training program emphasizes the business plan as a process or as a product is not an either/or question. The business plan is a continuum with stopping points along the way. It is a process that leads people to decisions; some may start writing their plans and put them aside; some may decide their ideas won’t work and drop the endeavors in favor of other employment options; some will stick with the process to complete the plan to apply for financing. Because of the training, these are informed decisions. In training, clients have the opportunity to walk through the process, and learn what they need to find out and how to put the information together. The process starts in training, but may conclude much later, depending on the choices each client makes.13

**Clients’ Readiness to Start a Business**

The extent to which clients can learn and use any of the technical skills discussed above is conditioned by their readiness to do so. Practitioners assess how “ready” a client is for self-employment along three lines: his or her business idea, entrepreneurial skills and attitude, and personal readiness. The following illustrative questions articulate these aspects of readiness:

- Does the client have a clear idea for a business?
- Does the person have any direct experience in his or her chosen business?
- Does the client have the motivation and determination to work on developing this idea? Does he or she have a realistic sense of the opportunities for income and growth from the business?
- Is the client familiar with basic financial tools such as bank accounts?
- Does the client have enough self-confidence to take on the challenging tasks of selling his or her idea and himself or herself, to value his or her work, and to learn unfamiliar skills?
- Does he or she have the ability to communicate with a broad spectrum of people?
- Does he or she have enough stability in his or her personal life to enable him or her to complete the training? (Does he or she have a supportive network of friends or family? Does he or she have transportation? Does he or she have reliable childcare for his or her children? Does he or she have problems with substance abuse?)

FIELD research indicates that successful business outcomes are linked to clients who have supportive families and friends, who have identified a business idea, who have stabilized their personal circumstances (housing, transportation, childcare, health) and who have some

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13 Agnes Noonan, WESST Corp., telephone interview by author, March 2002, Albuquerque, N.M.
background in business. Increasingly, programs use this type of information to assess clients’ business, entrepreneurial and personal readiness for core training, before they enroll. The assessment process is designed to be a learning experience for both the client and the program, enabling each to evaluate the strength of the fit between the client’s needs and the program’s products.14

Programs need to understand their clients’ readiness issues and be prepared to address them in varying ways through referral, pre-training or flexible curricula in core training.

Programs respond to readiness issues largely in function of their missions and target groups. As a result, both the types of readiness they confront and how they address them vary significantly. Thus, a strong assessment process is also important for helping practitioners to understand the level of their clients’ readiness for self-employment and to adjust their responses. The different aspects of readiness and how programs respond to each are discussed below.

Business and Entrepreneurial Readiness

Those serving recent arrivals to the U.S. tend to build in time to work on basic financial tools and systems in this country (e.g., budgeting, banking, taxes) under the heading “economic literacy.” This component is often found in curricula for low-income clients, as well.

Clients need to choose a business idea either before core training or early in the course. They often come to training with several ideas or with none. Neither will work, as clients need to apply skills introduced in training to one business concept, if they are to move forward. (See the Tools section for a session design on choosing a business idea.)

Economic literacy and choosing a business idea lend themselves well to a special session or series of sessions that precede the core business training. Both address issues that are best resolved before making the investment in and commitment to learning how to plan a business. In contrast, the personal effectiveness training is more often integrated into the core curriculum with programs allocating between four and 40 hours to these topics.

Personal Readiness

Low-income and TANF recipients tend to experience a lack of confidence, low self-esteem, and personal instability more than others. Because their personal and financial situations are often very fragile, they are more vulnerable to even the smallest setbacks. Consequently, programs targeting this clientele almost invariably include a “personal effectiveness” component in their curricula. To increase low-income clients’ chances for success in core training and in self-employment, some programs offer additional case management services that help them solve logistical problems, or link them with professional services to address a range of family and mental health issues.

What is the rationale for personal effectiveness? What is actually taught?

The inclusion of a personal effectiveness component in core business training reflects a holistic view of what it takes to start and operate a business – the person makes the business. How an entrepreneur operates his or her business is conditioned by a set of personal qualities, such as how he or she communicates, sets goals, makes decisions, plans and copes with stressful situations. Women’s Initiative views these less tangible skills as “competencies,” the

development of which is critical to successful skills application. In the realm of personal competency, the most common obstacle to success that clients bring into training is the lack of self-esteem and confidence to make the significant life changes that self-employment requires. Most confront the need to take charge of their actions at a new level, to be more disciplined and responsible, and to manage new sources of stress. Some must go deeper to address wounds left by traumatic events in their lives that hold them back from active pursuit of new goals. In short, personal effectiveness addresses a range of life experience; building the competencies to cope with them empowers entrepreneurs to pursue their business goals.

Working with 11 programs in a learning cluster on Welfare to Work, FIELD identified the wide variety of topics covered in the participants’ personal effectiveness training. The following table lists those topics from most common (core topics) offered by five of the 11 programs to those offered by at least one of the 11.\textsuperscript{15}

### Table 1: Personal Effectiveness Training Topics

<table>
<thead>
<tr>
<th>Core Topics (most commonly offered)</th>
<th>Common Topics (commonly offered)</th>
<th>Additional Topics (offered by some programs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stress management</td>
<td>Building support systems</td>
<td>Personality profile</td>
</tr>
<tr>
<td>Time management</td>
<td>Communications</td>
<td>Values</td>
</tr>
<tr>
<td>Self-esteem</td>
<td>Goal setting</td>
<td>Barriers to success</td>
</tr>
<tr>
<td>Personal credit and budgeting</td>
<td>Affirmation/visioning</td>
<td>Taking care of oneself</td>
</tr>
<tr>
<td></td>
<td>Image/appearance</td>
<td>Journaling</td>
</tr>
<tr>
<td></td>
<td>Conflict resolution</td>
<td>Power</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Networking</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mental health/depression</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sexual harassment</td>
</tr>
</tbody>
</table>

Training in personal effectiveness can be structured differently in response to clients’ needs.

A homogeneous group with similar needs can benefit from a structure that incorporates these topics into the core curriculum, while a more heterogeneous group consisting of only a few members with significant personal readiness issues might benefit more from a strategy of separate classes or support groups. To date personal effectiveness topics have been incorporated into the curriculum in three ways:

- They are offered as a separate class with a different facilitator that is scheduled as part of the core training (e.g., Women’s Initiative for Self Employment).
- They are integrated into the core training schedule (e.g., Maine Centers for Women, Work and Community and Detroit Entrepreneurship Institute).
- They are covered in separate support groups that begin meeting during the course, but may extend beyond the last class (West Company).

\textsuperscript{15} Klein.
Programs that incorporate personal effectiveness topics in the core curriculum should place them throughout the curriculum or in the middle of the course.\textsuperscript{16}

Once clients get into the technical material, they begin to have visceral reactions to it. As Eloise Vitelli of Maine Centers for Women, Work and Community explained, “About two-thirds of the way through the training, clients hit a ‘reality’ wall when the challenges of starting a business become real to them. They begin to confront the personal issues that may hold them back.” As the class gets more technical and more focused on the numbers – start-up costs, break-even analysis, cash flow – clients’ anxiety levels increase, because they are really starting to examine whether they can make their business ideas work. Furthermore, participation in the core training motivates change; clients seek better housing, they get out of negative relationships, or they find new jobs. While positive, these moves provoke emotional reactions that clients need to process.

It is important to recognize the limits of tackling personal issues as part of core training.

Because business trainers are not equipped to provide therapy, a different trainer/facilitator for the personal effectiveness sessions is recommended. WESST Corp. prefers to have a psychologist facilitate its “Fear of Success” session. Some programs opt to create separate support groups. Those whose clients face multiple personal problems with housing, childcare, substance abuse, domestic violence or transportation may have a case manager dedicated to linking clients to other services that can help resolve them.

Programs should guard against a dichotomy or tension between personal effectiveness and business skills components of core training.

There is a risk in creating a special time and place for personal exploration and empowerment. The potential for competition between the two strands – where one is creative and fun, while the other is serious, difficult and boring, where one facilitator is sensitive and empathetic and the other strictly business – can be a threat to program cohesion. The technical training sessions also need to be compelling, relevant and even fun sometimes.

Significantly, some programs choose NOT to address personal issues in any formal way. They maintain a strict focus on business skills, and have no defined curricula or services that address readiness beyond the empathy of the staff. The Northeast Entrepreneur Fund accepts anyone who shows enough interest and motivation to pay out-of-pocket or seek grant funding to cover its $244 course fee. The active choice to pay this fee is evidence enough that they are ready. Given the short duration of its CORE FOUR® training, NEEF staff members are not convinced that they can significantly influence the resolution of clients’ personal issues, and thus, are wary of spending their limited time in hand-holding.

\textsuperscript{16} Some programs do incorporate personal effectiveness topics up-front, or early in the curriculum, often as an assessment tool. For more on how programs use personal effectiveness training in this way, see FIELD Best Practice Guide: Volume 1.
The Mountain Microenterprise Fund also pursues and protects its business-only agenda with clients during its seven-week core training. However, its graduates can access personal support when they join peer lending groups, which is further enhanced by MMF’s array of post-training services to members.

With or without personal effectiveness sessions, people learn a lot about themselves because self-employment demands it. The process of researching and developing a business idea requires that they move through barriers and fears they have about making a change in their lives.

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**Box 14: Women’s Initiative’s Personal Empowerment Program**

Women’s Initiative serves low-income women in the San Francisco Bay Area. It has learned that even those who successfully make it through the multi-step assessment, screening, application and pre-training still need the opportunity to process their personal issues and how these affect their ability to make progress in developing their businesses. WI’s response is a seven-session Personal Empowerment Program (PEP) that is a required part of its core *Managing Your Small Business* course. For seven of the 14 weeks of the course, the class meets twice – once for the weekly business skills training session and once for PEP. WI mixes TANF and non-TANF clients; both groups are required to attend PEP and the same group meets together throughout both strands of the course.

PEP is designed to complement the business skills training, but it has a different instructor. Session topics include setting goals; coping skills; communication and interpersonal skills; self esteem; selling yourself; confronting fears of earning, managing and having money; and knowing where to get support. The focus is on empowerment and helping clients move through their own fear.

Clients enthusiastically embrace PEP. Despite initial reservations, they report appreciating the time spent in PEP as “time for me,” “time to nurture my creative side,” and “time to try out new images of myself.” Although clients do view PEP and “Managing” as two different classes – as right brain and left brain – they acknowledge needing both. One client said that this program is what makes Women’s Initiative feminist, because it recognizes and helps women articulate the emotional connection they bring to their businesses. Others describe PEP as “group therapy” or “spiritual.”

The PEP facilitator, however, is very adamant that it is neither. She claims that the power of achieving inner break-throughs is interpreted by clients as spiritual. Similarly she rejects the therapy label, because it implies that clients have something that needs fixing. But, nothing is broken; rather in PEP, women find validation and affirmation to change their lives.

PEP also contributes significantly to building the group bond that motivates clients to carry out their responsibilities to the course (e.g., completing required homework assignments) to graduate, and to support one another in post-training activities.

Because of PEP, the Small Business Consultants who are the trainers for the business strand of *Managing Your Small Business* are able to focus on their technical content. They establish boundaries around their course, referring personal issues that come up in class to PEP; they say that allowing one person to deviate in that direction tends to open the flood gates. Without PEP, staff feels that it would be very difficult to establish and maintain these boundaries, because clients clearly need an outlet for personal venting, exploration and support.

The Mountain Microenterprise Fund also pursues and protects its business-only agenda with clients during its seven-week core training. However, its graduates can access personal support when they join peer lending groups, which is further enhanced by MMF’s array of post-training services to members.
Thus, personal growth is inherent in the learning process. Clients will naturally enhance their self-esteem and communication skills as they engage in peer exchange, sharpen their business vision, market their businesses to the class, and finally, present their business plans. While not a replacement for personal effectiveness sessions, a dynamic training approach can turn core business training into a process of personal transformation for those who stick with it.¹⁷

This observation from an experienced trainer leads us to shift from the content of training to its delivery, including questions of training approach, format and length.

¹⁷ Chris Giallongo, interview by author, 26 March 2002.
Training Delivery

Alongside the decisions about what to teach, designing training requires multiple decisions about how to deliver that content. The two are obviously inter-related, but in order to understand the factors that contribute to effective training, its delivery is broken out into distinct issues. Some, like training style, are complex, even philosophical; others, like how long the course should be, seem mundane. Yet, all are important considerations in tailoring training to distinct market niches, and maximizing its effectiveness. This section will explore:

- the options for scheduling training (How much is enough?);
- the importance of the approach to training with a focus on participatory methods;
- who should be hired to deliver core training; and
- how program managers can enhance staff training skills.

Format and Length of Core Training: How Much Is Enough?

There is no simple correlation between the amount of training hours and client success. Programs need to balance three factors in deciding on the length of their core training: skill acquisition, skill application and clients’ willingness to commit time to training.

The answer to the question – How much training is enough? – can be based on one or a combination of all three of these factors. More time in training is linked to better mastery of more skills; the extent to which clients use those skills is likely conditioned by the relationship between when they learn them and when they need them, and calls for more “on-time” delivery of training. Finally, clients’ own threshold for the amount of time they are willing to spend in training is a serious determinant of how much training is enough. The priority that practitioners give to any of these factors in their design of core business courses usually reflects the market they are trying to reach. Consequently there is no one best formula for the format and length of training. However, both the expanding learning agenda and limited resources for training (of clients and programs) lead to the conclusion that core training, in fact, should try to balance all three.

How training is structured influences the number of hours a client spends in class. Each of the following models offers distinct advantages and disadvantages:

- **A structured course with a sequential series of classes that meet on a regular basis over a set period of time:** This is by far the most common model. While significant variation in course length merits further discussion (see below), the rationale for a set course is similar across programs and is rooted in the multiple benefits of bringing a group of learners together. It is more efficient to teach the same basic content to a group; the course participants learn from each other and they often evolve into a support network of self-employed business owners. At the Mountain Microenterprise Fund, the training program is the first phase of its overall business development approach that
builds a network of peer groups for the purposes of lending and on-going learning. It is during this course that clients typically find their future peer group. The class is also the starting point in building a long-term relationship between MMF and its clients. Course graduates can choose to become members of MMF (for a fee of $120 per year) that entitles them to advanced training, technical assistance, insurance and other benefits. The widely shared goal to build group cohesion, peer support and networks underlies this common structure for training.

- **A learning experience that alternates classroom sessions and scheduled individual consultations between entrepreneur and trainer:** A variation on the set course of a sequential series of classes is to incorporate individual technical assistance into the actual course design. The Neighborhood Development Center offers a 16-week training that is actually eight weeks of classroom learning and eight weeks of one-on-one technical assistance. While they do not have a standard pattern for scheduling the two, a common scenario would be one class, one week of individual consultations, and three to four weeks of classes, with the remaining 10 weeks alternating between class and individual consultation. During the designated consultation weeks, the trainer holds 45-minute sessions with each participant. This structure offers two distinct advantages: 1) it respects participants’ privacy issues, especially for those who hesitate to discuss financial details in class; and 2) it enables students to advance at their own speed through the course. Some use their one-on-one time to move forward on their businesses, while others use the time to get extra help with class material. This model explicitly acknowledges that effective business skills training cannot rely on the classroom alone; clients often need help translating the classroom concepts and skills to their own business plans. This model shifts the timing of that help, from post-training to the core course.

- **A menu of optional workshops from which entrepreneurs can pick and choose according to need and schedule:** While far less common, the rationale for this structure is compelling – it is demand-driven and offers “on-time” delivery of training, enabling entrepreneurs to attend a workshop on a specific topic when they experience a need for it. Micro-Credit New Hampshire is a peer lending program that offers approximately 15 workshops each month that meet for two to three hours in various locations around the state. In addition to the value of on-time delivery, this structure works well for rural entrepreneurs who resist spending the time required to travel to and from class every week. It also enables this statewide network to address its wide diversity of client needs in a way that one course with a set curriculum could not. Furthermore, the program’s peer group structure with its monthly meetings provides the support, advice and networking that are noted benefits of a longer, sequential course.

Although the vast majority of programs follow the first of these three models, the length of their courses range from 12 to 96 hours and from two to 16 weeks. As discussed above, client characteristics exert important influence over course length. Weaker academic skills and the need for additional readiness components extend course length for low-income clientele. Those already in business usually want shorter courses.

For example, the Maine Centers for Women, Work and Community offers its “New Ventures” course for women drawn from both rural and urban areas. It is a 90-hour course that meets twice a week over 10 weeks. Although the course design follows the business plan, the curriculum includes personal effectiveness topics, guest speakers (e.g., lawyers, accountants, other business owners) and field trips to expose clients to resources outside their community. Working with a
similar clientele, Women’s Initiative’s “Managing Your Small Business” class meets for a total of 66 hours over 14 weeks (including PEP classes). Although Mountain Microenterprise Fund’s “Foundations” course is also designed around developing a business plan, it meets for a total of 21 hours over seven weeks. At the short end of the range is the Northeast Entrepreneur Fund’s CORE FOUR® which covers the basics of business planning in 12 hours.

**Box 15: Evolution of CORE FOUR®: Across Models and Hours**

CORE FOUR® is the result of lessons learned from a series of training strategies for self-employment. NEEF originally started by providing technical assistance circuit rider style, going wherever they were called across northern Minnesota. Inevitably, however, as demand rose, staff did not have enough time to respond this way. To reduce the individual assistance, NEEF developed a series of seven workshops that it designed as a series, but offered as a menu of choices that clients could select in any order. Yet, NEEF still could not achieve the efficiency it sought; staff spent a lot of time marketing and registering each individual workshop, and people did not commit to enough of them in the series, keeping the demand for technical assistance high. Although the full market value of each workshop was $100, NEEF only charged clients $25, and third-party payers would only reimburse actual costs to the client. NEEF came to realize that they had to offer one training package, and in 1998 they had this opportunity with NxLevel – a commercial business skills curriculum that is designed as a 15-session, 45-hour course. NEEF taught this course three times. While appreciating the advantages of offering one comprehensive course, staff found this curriculum too long and too sophisticated for its clientele.

Assessing its largely rural clientele, NEEF tried to balance the advantages of a comprehensive business planning course with the clients’ needs for reasonable costs in terms of time, distance to travel and fees. NEEF returned to its original workshops, merging the first three focused on planning a business to arrive at CORE FOUR®, its current 12-hour course.

The brevity of CORE FOUR® enhances its flexibility. It can be taught in two six-hour sessions, four three-hour sessions, etc. It can be offered many times during the year, offering potential clients more choices about when they try to fit it into their busy lives. Furthermore, the short duration makes it appropriate for a wider range of clients. Because it does not require a major time commitment, those who are unsure of their business future can benefit from the course without spending lots of time learning how to plan a business they never start.

Paul, the owner of “Magic Carpet Cleaning,” a carpet cleaning business, illustrates this point. Paul knows carpet cleaning, because he grew up with it; as a telephone sales agent for a carpet cleaning company in his newly-adopted state of Wisconsin, Paul recognized the poor service this company offered and decided he could do better. He started “Magic Carpet Cleaning” and enrolled in CORE FOUR®. During the course, he began to struggle with some big decisions. He realized that he didn’t really like shampooing rugs; his real passion was for marketing, and he was having fun helping fellow classmates think about their marketing strategies. Which direction should he take? Develop “Magic Carpet Cleaning” into the company he knew he could build, or take the risk of pursuing a new career as a marketer? CORE FOUR® enabled him to articulate and consider this choice without spending months in training.

And, finally, although more targeted to start-ups and inexperienced entrepreneurs, existing business owners who have taken the class enthusiastically endorse its benefits. Interestingly, they are the ones most motivated to actually do the homework assignments and move forward with their business goals. As one experienced entrepreneur responded when asked about the class schedule, “It was just right – get in there and get out with lots of stuff to work on!”
The effort to balance course length, structure and client preference leads to different results based on the mission, target group and other program components that may influence training goals. Peer lending programs, for example, are more flexible in their business plan requirements, given that initial loans are very small and guaranteed by the peer group of borrowers. As a result, they don’t rely as heavily on core training to lead to a loan-ready business plan. Existing entrepreneurs, middle-income clients and men are less likely to commit to courses stretching out over several months. The middle ground, then, is a core training course of 20 to 30 hours – long enough for the participants to gain the benefits of working with a group of peers facing similar questions and challenges, yet short enough to accommodate busy lives and short attention spans.

*Given the challenges presented by the complex and very diverse aspects of planning a business, core training should focus on these basic business skills and personal competencies needed to master them. Programs need to resist the temptation to keep adding components in response to clients’ multiple and ever-evolving needs.*

There are many additional topics that clients ask for, that they need, and that can really help them run their businesses. The long list includes computer and Internet training, e-commerce and tax preparation. But, because different businesses will have different requirements, these should be offered as additional choices in the form of topic-specific short workshops. The vision, then, for an overall approach to training for self-employment combines core training with a demand-driven menu of short-term options enabling on-time delivery – that is, a focused core business planning course, accompanied by a menu of shorter workshops that address special topics and advanced training needs. This recommendation is based on the following rationale:

- People can absorb limited amounts of new knowledge and skill. They need the opportunity to put these skills into practice before they grasp what they don’t know and what they really need to learn.
- Shorter core training enables programs to schedule more courses and gives clients more choices to fit their busy schedules (One trainer explained how difficult it can be to schedule a 12-week training session during the summer, because people resist making such a long commitment during these months. Blocking out the summer leaves enough remaining weeks in the year to offer a 12-week course three times at most).
- Entrepreneurs’ training needs will evolve along with their businesses. A series of topic-specific workshops enables them to access new knowledge when they need it.
- Beyond the basic components of a business plan, the varying needs of different types of businesses cannot all be covered in one course.

**Training Approach**

Microenterprise training is not the only training for self-employment, but it can fill a special niche in the market. It attracts business owners and potential entrepreneurs who choose not to enroll in community college courses or workshops offered by the government’s Small Business Development Centers. Microentrepreneurs perceive most other training options as too formal,

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18 For example, in Bethel, N.H., the WREN program offers 10 to 15 seminars on technology-related topics, including various software applications, Internet use and e-commerce. For more about these offerings, see “Helping Make Entrepreneurs ‘Tech Savvy’: The Experiences of Four FIELD Grantees,” *FIELD forum* Issue 12, (Washington D.C.: The Aspen Institute, March 2002). For a discussion of guided choice models for business consulting, see FIELD Best Practice Guide: Volume 4: Keeping it Personalized: Consulting, Coaching & Mentoring for Microentrepreneurs (Washington D.C.: The Aspen Institute, August 2002).
too advanced, or too theoretical – in short, too far removed from the daily grind of planning or building a business. In contrast, they report that training offered by microenterprise programs directly addresses their needs; the instructors know what they are going through, often because they have been there, but, perhaps most importantly, the participants, bringing similar experiences and fears into the classroom, end up supporting, teaching and learning from each other.

Filling this market niche places unique pressures on microenterprise programs. Not only do they need to design training that is relevant and transfers tangible skills to their clients, but also they need to deliver it in an appropriate learning environment that fosters participation and enhances training effectiveness. This section focuses on defining the “appropriate learning environment” and how to actively incorporate it into a training program. Its observations and recommendations are rooted in previous FIELD research, widely accepted principles of adult education and practitioner experience.

An effective training environment incorporates:

1) active participation of the learners;
2) training methods that acknowledge the different ways adults learn; and
3) clear expectations and mutual accountability for both the trainer and participants.

Creating an Active, Safe Learning Environment

Establishing an appropriate environment for learning begins by recognizing the needs of and special approach to educating adults. No longer children, these learners require a different training style, one that values their life experiences, gives them a voice and empowers them with responsibility for their own learning – all of which translate to participation. Although trainers commonly feel that they have too little time to cover too much material, they need to allow time for clients to react to the subject at hand, to share their experiences with the class and comment on that of others. This conceptual foundation of adult education is certainly validated by microentrepreneurs who enthusiastically embrace the value of learning from each other. It is also borne out by recent FIELD research in which the Institute for Social and Economic Development found that its clients who had dynamic trainers were 21 percent more likely to complete class assignments and 32 percent more likely to complete a business plan. Although all ISED trainers follow a standard curriculum, those characterized as dynamic brought personal experience into the classroom, encouraged active discussion and varied the pace in response to participants’ behavior. In contrast, didactic trainers relied more on the curriculum, drew less on personal experience and did not actively encourage discussion among participants.19 Tracking rates of graduation and business plan completion among clients in two classes taught by two different trainers, Amanda Zinn of Women Entrepreneurs of Baltimore has drawn similar conclusions, explaining the consistently different outcomes (93 percent for one trainer and 70 percent for the other) as a function of training style. Although both trainers use the same curriculum, the trainer achieving higher outcomes is more interactive and dynamic, following the ISED definition.

An appropriate learning environment also involves helping participants overcome what is often a negative history with formal education. First and foremost, the content needs to be relevant. In teaching that content, however, the training experience also needs to be safe – safe enough to protect and nurture participants’ self-esteem. Box 16 offers behavioral guidelines that trainers can easily adopt with practice to achieve this goal.

19 Edgcomb and others.
Training Methods Tailored to Adult Learners

More challenging and complex is the need to design varied classroom activities that meet both pedagogic and psychological needs. Trainers should strive to facilitate class activities that respond to different learning styles (e.g., visual, verbal, or tactile), maintain participants’ energy and stimulate them. Adult educators have developed a rich and diverse repertoire of training methods and techniques that respond to the different ways learners receive and process information. Including debate, role plays, music, storytelling, props and humor, this repertoire offers multi-sensory learning that engages more participants, provides opportunities for them to get actively involved in their learning, and enables them to “experience” the material. In this approach, facilitators do not need to give participants information or tell them the answers; rather, they use an active learning process to help participants discover the content themselves.20

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Trainers should strive to operate more as facilitators of active dialogue between themselves and their participants, and less as lecturers, incorporating structured activities that promote interaction between participants related to the concepts under study.

However, this approach and its related recommendation is richer in potential than actual application in business skills training. Energetic and creative minds are needed to re-cast seemingly straightforward business content into activities that engage several senses at once; that do not rely exclusively on verbal, linear presentation; and that explicitly and gradually enable learners to build their confidence. In short, training design must consciously specify both content and process. This is hard. The experience of Mountain Microenterprise Fund, summarized in Box 17, illustrates that embracing training in this way requires leadership, a desire to change and the time to make it happen. The task includes:

1. deciding what people need to know;
2. developing a training design to achieve the learning objectives that reflect the “need to know;” and
3. creating activities that strike the right balance of building participants’ skills, confidence and voices.

Most curricula clearly reflect the first two items on the above list, but vary with respect to the third. Trainers, understandably, start out focusing more on the content they need to convey and less on the process they will use to teach that content. Moving towards more participatory training can be challenging for several reasons – traditional lecture is sometimes the best way to

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21 For information on numerous curricula and the types of learning activities each one contains, see FIELD Best Practice Guide: Volume 3.
convey the material, and more significantly, it is the format most familiar to trainers from their own educational experience. Yet, a trainer with relevant business experience can use the lecture-discussion format (the middle column in Table 2) very effectively, particularly when he or she illustrates the topics with personal stories and encourages active dialogue with and among learners. While most trainers do become comfortable with this style over time, most need support to move toward more participatory and varied activities (i.e., to the right on Table 2). A few programs, like Mountain Microenterprise Fund, have consciously embraced these facilitation models for their core training.

**Box 17: Mountain Microenterprise Fund Transforms Training**

In 1998 MMF took on a major task to re-design its core business skills training, motivated by dissatisfaction with its training results. MMF's then new director, Greg Walker-Wilson, observed that although participants completed the course, they were not writing business plans and delayed starting their enterprises. Enterprise Agents, intent on “covering the material,” controlled the process and relied on lecture to deliver the necessary information. Walker-Wilson believed that the process of empowering clients to take on the risks of starting a business had to begin in training; they needed to become more engaged with the training content to understand it better. To increase their use of this new knowledge, clients had to take control of and responsibility for their learning. With support from the North Carolina Rural Center, MMF proposed to use an exciting approach called “learning through dialogue” developed by Dr. Jane Vella, to completely overhaul its core training curricula.

MMF hired training expert, Dr. Joye Norris, to train staff in the approach, both its conceptual underpinnings and applications. She also helped them to re-design the curriculum. Starting with the original schedule of seven three-hour sessions, staff created seven columns, one for each session. Their next task was to think about how to fill in each column. Initial structure was provided by the decision to make each session address a component of the business plan. Still, they spent hours pasting ideas up on the walls and moving post-it notes from one column to the next until they achieved the right mix of content and process. Walker-Wilson confirms that the new training is radically different. Participants work their way through a progression of activities that are sequenced from simple to complex; they learn by practicing; they talk to each other and they help each other.

Dr. Norris believes that such a transformation requires committed leadership, a significant investment of time and money, and the stamina to confront the challenge of change. Staff needs to be involved not once, but on an on-going basis. Dr. Norris conducts annual train-the-trainer sessions at MMF. The organization is devoting an entire month to re-writing parts of the curriculum this summer (2002), because that is what it takes to get the job done. If left to occur “on the side,” no one ever has the time to get to it. For MMF, this undertaking is a dynamic process that will evolve and improve within the “learning-by-doing” framework.

**Mutual Accountability Between Trainers and Clients**

*Setting and communicating clear expectations for participants and trainers lead to stronger outcomes.*

Establishing mutual accountability between trainers and clients is the third component of creating a learning environment that enhances training effectiveness with adults, and is defined as the expectations of each partner in the course. The principles of adult education advocate investing the client with responsibility for his or her own learning. Adults cannot be forced to
learn; gone are the report card consequences of poor conduct or performance; these students are ultimately accountable to themselves. Sensitive to the unique situation of adult learners, many programs worry that to mandate or require anything looks and feels too much like school. Yet, experience indicates that setting and communicating high expectations to training participants leads to stronger outcomes. Expectations of the client include attendance, promptness, completion of homework assignments, and in some cases, writing a business plan. For his or her part, the trainer is expected to be prepared, start and end class on time, communicate objectives for each session and be accessible to the client.

As a participant in FIELD research, ISED found a correlation between clients who met such expectations during training (attendance, homework and business plan) and positive business outcomes after graduation. Graduation from Women’s Initiative’s “Managing Your Small Business” core training course requires good attendance – clients are allowed to miss only one class – and the completion of seven homework assignments. As noted earlier, MMF added a completed business plan as a requirement for graduation after clients asked for it. They wanted to incorporate this expectation into the training structure, so that they would be more motivated to achieve it. At the Hull House in Chicago, clients pay a course fee of $300 for the Enterprise Training Program, but those who complete a business plan within one month after graduation get a $100 rebate. These performance criteria constitute clear milestones against which the staff and clients can assess progress toward achieving a business goal. They lend additional structure to the training course.

Of these expectations and milestones, homework appears critical. A study carried out with the Microenterprise Training Institute of a State Economic Development Agency (SEDA) in New Jersey found that completion of homework was the strongest predictor of graduation. Most programs structure homework as a step-by-step approach to business plan completion. In Mountain Microenterprise Fund’s “Foundations” curriculum, each weekly assignment is written in the participant workbook and highlighted in bright yellow; the assignment instructions tell the participant both what to do (e.g., “Calculate the variable cost and gross profit for your product or service”) and where to insert the finished assignment or result in the business plan format provided in the back of the book.

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**Box 18: Get Moving!**

A simple but important principle in training is to find ways to enable participants to move around the room a little. The physical movement changes the pace and helps them stay alert. Below are a couple of ways to do this:

**1. Stand Up, Sit Down**

Ask participants to stand up when they can respond affirmatively to any questions the facilitator asks – usually a series of related questions such as:

- How many of you have a clear mental picture of what your business will look like?
- How many can clearly describe your business idea to someone else?
- How many have a name for your business?
- How many know where your business will be located?


**2. From Station to Station**

If you have three or more questions for which you want to generate answers, or categories of a topic that need “filling in,” write each question at the top of a flip chart and post each on the wall in different parts of the room. Ask participants to circulate and write their answers or ideas on each flip-chart page. Participants will discuss the issue with each other as they read the postings.

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Reviewing homework and its challenges need to be a more explicit part of the training design and schedule.

Linking homework to the business plan is a wise approach; it ensures that the assignments are relevant and useful to the participant. However, its actual effectiveness varies by how programs follow-up. Some only suggest the assignments and do not track completion. Some require the homework by making their completion a condition of graduation, but do not review them in class. Few believe that they can afford to allocate limited class time to reviewing homework, leaving clients to take the initiative to get individual help when they need it.

But, programs need to actively follow-up – not only in tracking assignment completion, but also in assessing and improving clients’ ability to complete them. It is largely by working on the homework assignments that clients have the opportunity to apply classroom concepts and skills to their own businesses, which in turn has surfaced as a critical step in mastering the key skills. If a client does not work on his or her business, he or she is not going to have one. As adult educator Dr. Joye Norris explains: “If learners are expected to do something, trainers must provide the tools and resources for them to do it.”

In setting these types of expectations, most programs face the challenge of balancing the benefits of standards and structure with the need for empathy. Clients have many valid reasons for failing to meet program expectations. Women’s Initiative gives its clients two months to hand in required homework assignments. MMF admits that it is firm in its public statement of the rules and their enforcement, but in private, it is more flexible with individual cases.

Finally, most program expectations are formulated as graduation requirements, meaning that to be effective, graduating from the training has to hold value for clients. For many clients, this value is found in the pride they feel with their accomplishments. Graduation ceremonies, certificates and celebrations are very important to enhancing the sense of accomplishment. One client’s main criticism of the core training she completed was the fact that the graduation ceremony was incorporated into the last class, and therefore, combined with final course content. Some programs link graduation to access to an array of follow-up services. Women’s Initiative clients all know the program slogan “once a graduate, always a client.” MMF graduates are invited to join its network that operates like a chamber of commerce for microentrepreneurs, offering access to other entrepreneurs as well as an array of follow-up services.

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**Box 19: Women’s Initiative’s Required Homework Assignments**

1. **Customer Profile Sheets:** worksheets that help entrepreneurs analyze the characteristics of their individual and business customers.

2. **Analyze Your Competition:** a worksheet that helps an entrepreneur compare specific aspects of her business – product, price, service, location, quality, stability, etc. – to that of several competitors.

3. **Pricing Strategy:** walks client through steps of establishing her price in function of costs, target market and competition.

4. **Marketing Strategy Analysis:** asks clients to describe and cost out several marketing strategies.

5. **Marketing and Promotions Calendar:** clients have to plan marketing strategies, sales events and related sales projections for one year, transferring each one and its costs to a monthly calendar.

6. **Cash Flow Projections:** clients complete a cash flow projection for their own businesses that covers one year.

7. **Financial Statement Case Study:** clients review two years of financial statements from a fictitious company and answer interpretive questions.
The best training delivery combines all three elements: active engagement of the clients as co-learners who have a voice and valuable contributions to make; a training environment that is both safe and stimulating; and clearly defined expectations that help motivate clients to work toward their goals. Yet, paying adequate attention to all three is very challenging and uncommon given limited resources, the scarcity of staff candidates who combine business knowledge with training skills, and a very demanding agenda that often extends well beyond training. To get closer to this goal, programs can do two things: invest in an existing curriculum that has incorporated adult participatory learning methodology, and invest in building the training skills of those who will facilitate core training. Programs have many choices of curricula, many of which have already done the very hard work of integrating business content with a learning process geared to adults. The issue of developing trainers raises several questions that are discussed below.

**TRAINERS: QUALIFICATIONS AND STAFF DEVELOPMENT**

Training style, as presented above, is both an art and a science. The atmosphere and conduct of a classroom depend so much on the person facilitating the training that getting it right necessarily means hiring the right trainer. Two key questions define this challenge:

- What qualifications should programs look for when hiring trainers?
- What strategies can program managers use to help staff members strengthen their training skills?

*The best trainers combine strong business background with experience in facilitation and an ability to relate to the target clientele.*

Typically, programs look for three criteria when hiring trainers: business experience, facilitation skills or training experience, and ability to communicate well with their target clientele.

Of these three criteria, which is most important? Practitioners widely acknowledge a long-standing tension between training skills and business experience in hiring, because the person who has both is a rare find. Professional trainers often come from corporate backgrounds (e.g., corporate trainers, human resource professionals) and tend to be too formal and polished for the clientele of most microenterprise programs. They don’t understand the microentrepreneur, his or her self-esteem issues, economic vulnerability and fear of formal educational settings. Perhaps most importantly, if they have no personal experience with small business, they won’t relate well with clients.

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**Box 20: What is the Priority**

**NEEF looks for experience first**

At the Northeast Entrepreneur Fund in northern Minnesota, small business consultant, Steve Peterson, insists that prior business experience is the most critical qualification for the job. “The person has to have felt the pressure, to know what it is like to worry about making payroll. The person who knows that will be able to relate to our clients much better than someone with an MBA.”

**NDC finds a rare combination**

NDC looks for those with training and experience first, then small business experience and ability to communicate with the target group. Kathy Sunberg is a former corporate trainer who left the corporate life to open her own coffee shop that is located in the same neighborhood where she conducts training. In Kathy, NDC has a trainer and a small business owner who knows the clientele.

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2 FIELD Best Practice Guide: Volume 3.
Yet, those with backgrounds in business often lack the training skills appropriate for microenterprise clients, such as the ability to speak simply, organize stimulating learning activities, and create a safe learning environment. Typically, programs have to choose the skill set that is more valuable to them.

The more common choice is business experience. Those who have owned their own businesses can relate best to the pressures new business owners are under; they have stories from their own experiences that support and strengthen the training content, even if they are not skilled trainers. Some programs articulate this choice as a matter of gaining the trust and credibility of the clients. Indeed, clients appreciate the highly relevant personal experience that business owners bring to the classroom.

Professional adult educators who have worked with microenterprise programs affirm this preference. First and foremost, trainers must be comfortable and confident with the course content. In the case of business skills, it is easier to learn the training skills than it is to fully grasp the ups and downs of business ownership, which usually requires years of experience.

A third reason to give preference to business experience is the multiple roles staff is often expected to fill. In many programs, business trainers double as business consultants who offer the critical, personalized technical assistance that microentrepreneurs need. The third critical qualification – the ability to relate to and communicate with the target population – will vary by target group. In some programs, it means language skills; another could require familiarity with an ethnic culture. (In the Tools section, see the Job Announcement developed by Women’s Initiative for Self Employment)

### Developing Staff Training Skills

*Programs that choose to place business owners and others with business background in training positions need to invest in developing their training skills.*

The experiences of several programs illustrate some of the options used to date:

- The Maine Centers for Women, Work and Community uses an apprenticeship model whereby new staff members must accompany senior trainers through one complete 16-week training program before they can run their own New Ventures course.
- The Mountain Microenterprise Fund organizes a train-the-trainer session for staff annually, conducted by a professional adult educator. New staff members shadow two different senior trainers before they can train on their own, a process which takes between two and three months. Staff meets regularly to review and revise curriculum.
- In New Mexico, WESST Corporation had its entire staff attend its Market Link training program for a full week as if they were clients. The director plans to repeat this strategy at periods of high staff turn-over.

Unfortunately, job shadowing strategies are as effective as the senior trainers who serve as the model for the apprentices. Organizations that seek train-the-trainer resources at local community colleges often find incongruence between the college level teaching and microenterprise clients. In order to find both the trainers and the curriculum that will be appropriate for these learners, microenterprise programs need to look beyond formal educational approaches and institutions.

More pro-active options for building effective training expertise include:

- Investing in a curriculum through which staff can improve training skills and review content. With a curriculum that outlines both technical content and training process, staff members do not have to struggle inventing new activities. Instead, they can concentrate on learning the material, getting organized, getting to know their learners, and developing their own style. Some microenterprise organizations market both their curriculum and train-the-trainer sessions for staff.25

- Hiring adult education trainers to carry out train-the-trainer sessions for staff.

- Organizing such train-the-trainer sessions for multiple organizations through state level microenterprise associations to reduce the costs for each member (See Box 22).

- Scheduling regular staff meetings (e.g., quarterly) dedicated to training and the curriculum during which staff members share new ideas, activities they have tried, and problems they face.

- Instituting a process for documenting trainers’ adaptations to the curriculum. Too often great ideas and practices disappear with the staff person who developed them.

- Taking advantage of trade association-sponsored training through national organizations such as AEO and state-based associations.

**Box 22: Oregon Microenterprise Network (OMEN) Helps Members Learn More about Training Adults**

Every year, OMEN organizes a training event for its members during which it focuses on one or two topics. In 2001, members asked for help in developing training techniques. Bill Goldsmith, OMEN’s Executive Director, explained the rationale for this focus. Network members are small programs largely housed in CDCs or other umbrella organizations. They have small staffs whose expertise is most often in community organization, business development or counseling. Although most offer core training courses, few know about adult education theory or practice, and don’t have access to the relevant resources in their host institutions.

To get the right training for its members, Bill sought out Theresia Paauwe, President of Business Matters Training Resources, Inc. Ms. Paauwe is a former accountant, corporate operations manager and loan fund manager for a microenterprise program in Indianapolis, Ind. Working with struggling entrepreneurs, she discovered a passion for training, researched adult education and wrote basic business curricula. Since 1994, Business Matters has provided training materials and train-the-trainer workshops to a wide variety of organizations. Both Paauwe and Goldsmith enthusiastically endorse the train-the-trainer model that OMEN used. In its day-long session, one trainer was able to provide relevant knowledge, skills and practices to 20 participants representing approximately 15 different programs.

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25 For organizations that offer both a curriculum and training on its use, see FIELD Best Practice Guide: Volume 3.
This process has to begin with the leadership which must translate its commitment to building in-house training expertise into strategic plans and budgets. Otherwise, lack of resources is the first excuse. The Rhode Island Microenterprise Association sponsored a two-day training of trainers workshop for approximately 20 trainers. The director estimated the costs, including the facilitator’s fees, travel, per diem, venue and food to be between $3,500 and $4,000 for the entire workshop.

**Cost Recovery**

Across the country, microenterprise programs are challenged to raise funds to pay the costs of their training programs. With data from 51 programs, FIELD’s MicroTest program indicates that in 2000, the average cost recovery for training programs ranged from 2 percent to 19 percent. These low figures speak to the huge difficulty programs face. Education in the U.S. is by and large a public good. That training geared to low-income individuals should be any different can be hard to argue. Yet, training programs do need to think strategically about generating revenues from a variety of sources, as the funding challenge is only going to intensify.

One strategy, of course, is to charge user fees. In Minnesota, the Northeast Entrepreneur fund, charges a course fee of $244 for its CORE FOUR® course. President Mary Mathews explains that NEEF set this fee in relation to the market price for similar workshops. Having learned from experience that third party payers were likely to reimburse only the amount actually paid by the client, NEEF set its fee on the basis of its real costs versus what they felt clients could afford.

While participants are responsible for paying this fee before the course begins, few actually absorb the full fee themselves. Third party payers (public agencies, grants, scholarships, etc.) reimburse 80 percent to 100 percent of the tuition for one-third to one-half of those who take CORE FOUR®. Ms. Mathews explains, “We are close to covering, through tuition, the direct costs of providing the training. That is possible in part, because CORE FOUR® is a 12-hour course. We made a decision to determine both what the market will pay and what is the absolute best training that we can provide. As funding becomes increasingly more difficult, it is the type of decision we need to make more often. As we get better at marketing and presenting our training, over time we think we can generate excess revenue from mainstream funding sources which is earned, fee-for-service income, not grants revenue.”

While charging user fees that cover training costs is not a realistic strategy for many programs, NEEF’s focus on earned income is noteworthy. Another avenue programs have taken successfully is to seek contracts with state and municipal governments to provide training services that yield fee-for-service revenues based on the number of clients trained. Programs that partner with community colleges to offer training are paid by the college from combined sources, such as tuition, state aid and endowments. While these funding strategies do not constitute cost recovery in the traditional sense of the term, they do offer examples of diversification beyond traditional grant funding.

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**Box 23: Levels of Payment for CORE FOUR®**

CORE FOUR® clients pay the tuition in three ways:

1. Those who are able pay $244; NEEF will soon start taking credit cards for payment to reduce operating and billing costs.
2. Third parties pay all or 80 percent of the $244, the client pays the balance.
3. Clients who meet income qualifications and cannot secure third party tuition reimbursement, may receive a scholarship from NEEF.
Monitoring and Evaluating Core Training

Although practitioners tend to be easily consumed by the issues of content and delivery discussed above, they should incorporate monitoring and evaluation of training into the design process from the outset. Even though the effectiveness of training is notoriously difficult to prove, its widespread use and significant costs demand more attention to monitoring and assessment. Through its request for proposals from the microenterprise community related to the assessment of training and technical assistance, FIELD identified five categories of hypotheses that help identify and define effective training. They are:

- Client characteristics: Training success, in part, depends on the skills, education, business experience and personal circumstances that clients bring to the program.
- Business Proficiencies: Which business skills are critical to business success and when clients best learn them are critical to enhancing the effectiveness of training.
- Personal Effectiveness: How program interventions influence microentrepreneurs’ attitudes and behaviors (e.g., self esteem, motivation, ability to focus, etc.) that can strongly affect business success.
- Participation: How the amount and sequencing of training and technical assistance that a client receives influence business outcomes.\(^2^6\)
- Differences in Intervention: How the trainers’ skills, experience and style influence client success in training and in business.

Indeed, this module’s attempt to identify best practice is built, in part, on the few research efforts that programs have undertaken to address these hypotheses, and summarizes learning to date related to them. These efforts demonstrate that programs can build capacity and systems to ask and answer a number of questions, ranging from simple to complex, to track everything from who their clients are to what they learned and what happened to their businesses after core training. This range of measures is summarized in Table 3.

The simple measures are so named because most programs already collect the information they need to establish a client profile and determine the extent to which they are reaching the target market. Measuring participation involves keeping track of the number of clients attending program events, using program services, etc. Alone, these measures may not be very meaningful; they are more valuable when used in conjunction with intermediate measures to determine, for example, the profile of clients who score high on skill acquisition or who graduate.

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<table>
<thead>
<tr>
<th>Questions</th>
<th>Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SIMPLE</strong></td>
<td></td>
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<tr>
<td>Target Market: Are we reaching the target market? What are the characteristics of clients in the core training program?</td>
<td>Client intake forms MIS database</td>
</tr>
<tr>
<td>Scale of Service: How many clients enroll in our core training program?</td>
<td>Client records MIS database</td>
</tr>
<tr>
<td><strong>INTERMEDIATE</strong></td>
<td></td>
</tr>
<tr>
<td>Training Completion: What percentage of clients expected to graduate in a given year (or other period) actually does graduate?</td>
<td>Program records</td>
</tr>
<tr>
<td>Assignment Completion: What percentage of enrolled clients completes course assignments? Do these clients exhibit stronger business outcomes?</td>
<td>Program records</td>
</tr>
<tr>
<td>Business Plan Completion: What percentage of enrolled clients, expected to complete a business plan, completes one? Do those who complete a business plan have a greater likelihood of opening a business?</td>
<td>Program records</td>
</tr>
<tr>
<td>Skills Acquisition: How effective is our teaching? To what extent do enrolled clients learn the skills and concepts taught in the course? (Programs have preferred to use self-assessment tools versus tests of content knowledge to avoid the old fears associated with school.)</td>
<td>Pre- and post-tests, client self assessment forms</td>
</tr>
<tr>
<td>Customer Satisfaction: How do clients assess the training? What would they recommend to improve it?</td>
<td>Customer satisfaction surveys (written or telephone)</td>
</tr>
<tr>
<td><strong>COMPLEX</strong> (Outcomes or Impact)</td>
<td></td>
</tr>
<tr>
<td>Business Status: How many training clients have started, expanded or stabilized a business?</td>
<td>Client surveys</td>
</tr>
<tr>
<td>Skills Application: What skills learned in core training do clients use? When do they start using these skills? Does skills use change over time? How does skills use relate to business outcomes?</td>
<td>Client surveys</td>
</tr>
<tr>
<td>Progress Towards Self-Sufficiency: What percentage of household income comes from the client’s business? What changes have occurred in the client’s poverty status?</td>
<td>Client surveys, loan application</td>
</tr>
</tbody>
</table>

Intermediate indicators measure skills acquisition, graduation, and changes in attitudes or life management practices. Although not final outcomes, FIELD research indicates that all of these indicators are useful proxies, helping programs to gain a sense of the outcomes that they are likely to see. In addition, they are easier to measure than outcome data; regular tracking enables programs to determine if they are headed in the right direction.
Perhaps most relevant for training is the extent to which the client learned the skills taught. ISED and Women’s Initiative for Self Employment offer two examples of how to measure skills acquisition:

- ISED measures change in clients’ knowledge and skills before and after core training. It asks clients to estimate their level of confidence vis-à-vis 15 key business skills covered in its course using a rating scale from one to five. ISED prefers this client self-assessment, which clearly defines each level of confidence on the scale, to a traditional written exam because the latter places unnecessary pressure on clients to perform, and creates discomfort given its association with formal school environments (a position shared by many programs). Because the tool is administered twice, clients can see how their own assessment has changed over time, and staff can analyze the group’s pre- and post- averages for the degree of change and notable differences.

- Women’s Initiative for Self Employment uses graduation as a proxy for skills acquisition, because its requirements for graduation are designed to ensure a basic understanding of the 14 core business skills it teaches. In addition, both client and trainer complete a written questionnaire at the end of the training program that assesses each client’s skills from both perspectives (i.e., client and trainer). However, since WI’s primary interest lies in understanding how a client actually uses the skills she has learned either in her business or other areas of her life, they conduct post-training interviews at six-month intervals.27

The completion indicators (e.g., assignments, business plan and course work) are also important to both staff and clients. Understanding the link between completion and successful business outcomes, staff needs to do what it takes to help clients finish. Helping clients to understand this link may motivate them to finish as well.

The final outcome indicators reflecting a range of desirable results – business starts and expansions, increased sales and increased income – are the most difficult to measure. Tracking these outcomes requires establishing a baseline and tracking what happens to the clients both during and after the program. Again, Women’s Initiative for Self Employment and ISED have both conducted outcomes research:

- Women’s Initiative monitored client progress by conducting telephone interviews at six-month intervals (up to 18 months) after completion of training. A total of 83 clients were interviewed by phone between January 2000 and March 2001. The survey instrument included closed-ended quantitative questions about personal information, business status, business skill use, business financials, household and business income, assets and liabilities. Additional open-ended questions explored relevance of skills in other arenas, business support needs and feedback on the survey itself. Each interview took an average of 45 minutes to complete; upon completion, WI sent participating clients a $15 gift certificate, a thank you card and referrals.28

- ISED administered a follow-up survey via the mail to clients eight months after course completion to measure the status of the client’s business, use of business skills and income. The organization sent surveys to 366 individuals and had a strong response rate of 45 percent using this strategy.29

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27 Edgcomb, Assessment Tools.
29 Jan Losby and Jill Robinson, Assessing the Effectiveness of Microenterprise Training and Technical Assistance Services; available from www.fieldus.org/li/improvingME.htm; Internet.
Finally, programs are beginning to assess the impact that individual trainers have on clients. In its evaluation research, ISED used a “class observation form” to measure each trainer’s style, use of class time and view of his or her role in the class.

Programs can draw from this range of indicators to build a framework for assessing its training program. Clearly the simplest indicators are most valuable when used together with more complex ones that are harder to measure. The intermediate measures are both useful and easy to track. A combination of self and peer assessments done at regular intervals with periodic surveys to track longer term outcomes is within reach of most programs.
Conclusion

Building skills for self-employment is a multi-layered, complex process, engaging the intellect and the heart; it is a process of self discovery that includes exposure to new knowledge and the confidence to capture it. In their approach to training, microenterprise programs are guided by their mission to work with specific target groups, and these, in turn, constitute distinct market niches. In response, core training has evolved into many variants. Some are focused solely on the technical requirements of planning a business; others set out to train the whole person.

This evolution of core training has resulted in a richness of program offerings that challenge the nomination of best practice. Among the many good practices, the best reflect careful design of both the content and the process of training – that is, what clients need to learn and how they will learn it. Integrating both of these factors involves understanding the clients and their learning priorities, adapting the curriculum to meet those priorities, finding trainers who are both credible and approachable, and creating a safe, effective learning environment.

As programs learn more about their clients and how they make their business decisions, they will need to adjust their training. As staff members develop their facilitation skills, they will want to try new activities and present old topics in new ways. Programs need to capture these changes, expanding their training toolbox over time. This module hopefully has communicated the value of investing in core training as a dynamic process whose effectiveness is linked to careful attention at multiple levels.
Tools

This section presents a sample of tools that support the previous discussion; each relates to a specific issue in the report and offers an example of how that issue is addressed by practitioners. They clarify points made in the report and serve as a starting point for organizations seeking to adopt some of the recommendations or practices described here.

The majority of the tools included here are designs of specific training sessions. These were selected based on the way they offer participatory activities linked to the teaching of challenging financial skills. Most have been “lifted” or excerpted from existing curricula for microenterprise development. In some cases, the version presented here does not include the complete set of overhead transparencies or electronic spreadsheets that are part of the session design. Readers will have to refer to the curricula from which these were drawn for the complete tool. They are also encouraged to adapt these exercises for their own purposes.

Tools

1. Job Announcement, Small Business Trainer, Women’s Initiative for Self Employment
2. Resources for Basic Skills Training in Microenterprise
3. Agenda for Two-day Train-the-Trainer Workshop, Business Matters Training Resources, Inc.
JOB ANNOUNCEMENT

JOB TITLE: SMALL BUSINESS TRAINER

REPORTS TO: Program Director
HOURS REQUIRED: 40 hours per week
SALARY: Competitive Salary and Benefits

BRIEF DESCRIPTION OF THE ORGANIZATION

The mission of Women’s Initiative for Self Employment is to assist low-income women of diverse ethnic and social backgrounds in becoming economically self-sufficient through entrepreneurial activity. Women’s Initiative links women with the skills, information, and financing they need to establish or expand small businesses that reflect their personal and financial goals. Our programs encourage women to create quality jobs for themselves and others – jobs that offer the flexibility to better blend work and personal responsibilities. Women’s Initiative also works to remove institutional barriers and encourage change that recognizes and supports women’s equal and productive participation in our economy.

DUTIES AND RESPONSIBILITIES

The Small Business Trainer for Women’s Initiative’s English-language program provides business training and consulting services to clients within the context of the Vision, Values, and Mission of Women’s Initiative for Self Employment.

Specific duties are as follows:

• Conduct screening and assessment of new client applicants to the core training program;
• Conduct business skills workshops (utilizing WI curriculum) to increase participant knowledge of business operations, marketing, and financial management. Impart problem-solving skills to participants as they learn to define their business ideas, assess business feasibility, develop business plans, improve business management skills, and maximize profit;
• Assist WI clients in preparing successful applications to the Women’s Initiative Loan Fund and other economic development agencies. Help with the preparation of loan packages and assist clients in preparing presentations for WI lending committees. Review business plans and assist clients to improve them as necessary. Prepare consultant recommendation regarding packages for WI lending committees;
• Consult one-on-one with WI clients to augment the skills learned in the workshops and to assist participants in developing business plans, obtaining financing, problem-solving, and guiding and monitoring business growth after training and after borrowing;
• Prepare monthly reports on participant consultations, including time spent and substance of consultations. Monitor client activity and maintain accurate records on participants and business progress. Work cooperatively with other WI staff to provide services to WI clients
in an informed, appropriate, comprehensive, and effective manner in order to assist them in becoming economically self-sufficient;

- Provide input and assistance for workshop curriculum development and revisions;
- Participate in ongoing program development and evaluation of existing and new WI programs;
- Offer services in both San Francisco and Oakland locations (this position will be located in San Francisco);
- Other duties as may be assigned.

EXPERIENCE AND EDUCATION

- Bachelor’s or post-graduate degree in business administration with a concentration in finance, marketing, or operations;
- Minimum of three years of experience developing business plans and/or consulting for small enterprises, or business ownership and mid-to high-level business management experience.

SKILLS AND CHARACTERISTICS

- Demonstrated ability to facilitate interactive adult education workshops with participants from varying socio-economic and cultural backgrounds;
- Excellent communication skills with experience in engendering trust from, and self-confidence in, low- and very low-income women;
- Ability to analyze business and business ideas for feasibility and realistic cost/profit projections;
- Familiarity with the microenterprise field and a commitment to the organization’s mission and goals;
- Demonstrated ability to work as a member of a team as well as to work independently and to take initiative;
- Willingness and ability to support the efforts of other staff to provide consistent, high-quality client services;
- Computer skills: Excel, MS Word;
- Bilingual Spanish / English preferred but not required.

Women’s Initiative is an equal opportunity employer and encourages people of color, older candidates, and persons with disabilities to apply. Please send cover letter and resume to:

Program Director
Women’s Initiative for Self Employment
1390 Market Street, Suite 113
San Francisco, CA 94102
or
Fax to: (415) 247-9471
No phone calls, please.
Open until filled.
Resources for Basic Skills Training in Microenterprise

Trainers and Training Consulting Firms

Theresia Paauwe
Company: Business Matters Training Resources, Inc.
49 Boone Village, #303
Zionsville, Indiana 46077
Tel: 317-769-6383
Email: TP@businessMattersTR.com
www.BusinessMattersTR.com

Global Learning Partners
Contact: Connie Kuipers and Peter Noteboom
Founded by noted adult educator, Dr. Jane Vella, GLP offers a variety of training of trainers courses to government agencies, not-for-profits, industry and educational institutions. It has trained master trainers around the country, several of whom have experience directly, or closely related to microenterprise development. Contact GLP for a description of the courses it offers or for help finding a trainer in your region.
147 Springhurst Ave
Toronto, ONTARIO M6K 2B9
Tel: 1-877-923-3393 (toll free)
www.globalearning.com

Dr. Joye Norris
Company: Learning By Dialogue
Adult educator Dr. Norris was trained by and worked with Jane Vella for many years. She now consults for a wide variety of institutions including the Mountain Microenterprise Fund in Asheville NC.
Tel: 843-281-8832
Email: DocJN@aol.com

Chris Wrona Giallongo, Consulting
Based in northern California, Ms. Giallongo is an excellent trainer who also has extensive experience in microenterprise development. She designs and conducts training for both clients and staff.
Tel: 530-938-4193
Email: cwgconsulting@snowcrest.net

There are many, many resources for training and adult education including professional associations, institutes, books, etc. These are not included here because it is difficult to ascertain which have experience supporting self-employment and microentrepreneurship. However, one training resource recommended by an experienced microenterprise practitioner is:

David Gershon and Gail Straub
Empowerment Training Programs
tel: 845-331-1312
www.empowermenttraining.com

Books, Guides and other Print Materials


6. Mullis, D. and Orloff, J. *The Accounting Game, Basic Accounting Fresh from the Lemonade Stand;* (available from Amazon. Com)

7. Silberman, M. *101 Ways to Make Training Active*

8. Caroselli, Marlene; *Great Session Openers, Closers and Energizers*

9. Scanlon; *Games Trainers Play*

**Websites:**

*Workshops by Thiagi* (puzzles, games, activities) at http://www.thiagi.com. This site has free activities (games), some of which can be used in their present form by micro programs.
Train-the-Trainer
A Two Day Course in Brain Based Training

Day One

9:00 Welcome and Introductions
☑ Business Matters Training Resources, Inc.
☑ Participant Introductions
☑ Session Overview

10:00 Train-the-Trainer
☑ Learning objectives
☑ The learning contract
☑ Define ‘exceptional’ training

10:30 Brain based learning
☑ The VAK Model (ways people receive information)
☑ Multiple Intelligences theory (ways people process information)
☑ Learning styles inventory
☑ The Triune brain model
☑ What does this mean about learning?
☑ What does this mean about training?

12:00 Lunch

1:00 Create a safe and comfortable learning environment
☑ Enlist participants, Introductions
☑ Big Picture Vision, Cover logistics
☑ Use ‘Hooks’, Introduce new information in a familiar way
☑ Establish “Time and Place”
☑ Maximize the learning process

2:30 7 Steps to designing an exceptional event (first 4 steps)
☑ Objectives
☑ Course content
☑ Delivery Methods
☑ Debriefing

4:00 Adjourn

Training will include short breaks every 50-55 minutes
Train-the-Trainer
A Two Day Course in Brain Based Training

Day Two

9:00  Welcome Back
✓ Review, Q & A

9:30  7 Steps to designing an exceptional event (continued)
✓ Support Materials
✓ Evaluation
✓ Lesson plan

11:00 Managing training “prisoners”
✓ Creating motivational conditions
✓ From prisoner to graduate

12:00 Lunch

1:00  Training tips
✓ Overcoming terror
✓ Your emergency training kit
✓ How to have classroom presence
✓ Dealing with difficult situations
✓ Training myths and facts
✓ Where to get really cool ideas, props, etc…
✓ Reading lists

3:00  Wrapping up
✓ Review, Q & A
✓ Certificate ceremony
✓ Grande Finale: The Nails!

4:00 Adjourn

Training will include short breaks every 50-55 minutes
HOW SWEET IS IT?  REAL Enterprises, Inc.

PURPOSE:
- to highlight the difference between cash and non-cash expenses
- to demonstrate the importance of cash flow for a small business
- to introduce participants to financial business terminology

MATERIALS:
- REAL $5 bills (26 bills for each group of 3 participants) (REAL money masters are located in the “How To Use This Guide” section.)
- paper cans of maple syrup candy (20 cans per group)
- paper computers (1 per group)
- flip chart or chalkboard

TIME:
- 60 minutes

PROCEDURE:
1. Divide the class into groups of 3, describe the 3 roles represented in each group, and distribute the needed materials. The 3 roles in each group are:
   a. Business owner Mabel Sierp: receives $100 in $5 bills to capitalize a home-based maple syrup candy business. Mabel purchases the candy for $2/can wholesale from Buckets & Bytes, a cooperative maple syrup producer and computer remanufacturer nearby. She resells it for $10/can. As the simulation progresses, Mabel keeps track of the cash balance in the business on a chalkboard, flip chart, or piece of paper all group members can see easily.
   b. Buckets & Bytes sales representative: receives 20 cans of candy and a computer.
2. Guide the groups to undertake the following transactions, stopping to ask participants to define terms in bold italics as the simulation progresses. (Definitions can be found following “Bridges” below.) Check occasionally to see that each group registers the same cash balance. For this exercise, use the accrual method of accounting. In other words, record transactions when they happen, not when the cash changes hands.
   a. Mabel buys a reworked, very used computer (with a useful life of 1 year) from Buckets & Bytes for $60 (has $40 left).
   b. Mabel buys 10 cans of candy from B & B as inventory (has $20 left).
   c. Customer Otto Cash (dependable next door neighbor) buys 10 cans on credit. He will pay for them in the middle of next month (Mabel receives $0...still has $20).
   d. Mabel buys 10 more cans of inventory from B & B (spends $20...has $0).
e. Customer Sugar D. Prived (candy fanatic who lives across town) buys 3 cans for cash (Mabel receives $30...now has $30).

f. On the 28th day of the month, Mabel pays advertising bill of $30 for month (now has $0).

g. Mabel computes depreciation (on a straight line basis) for the month.

h. The business telephone bill ($40) is due on the 29th day of the month.

3. Ask participants, in their groups of 3, to determine the business’ profit at the end of the month. Remember, credit sales are treated like completed transactions, even though the cash has not changed hands.

**REFLECTION:**

- How much cash does the business have at the end of the month? ($0)

- What is the business’ profit for the month?

**Income**

Sales (13 cans @ $10) $130 = Total Income

**Expenses**

Cost of goods sold (13 cans @ $2) 26
Advertising 30
Depreciation (1/12 of $60) 5
Telephone 40

$101 = Total Expenses

$29 = Profit

- Why is profit different from cash?

Three reasons in this example are:

  - Some sales are not cash.
  - Some expenses (e.g., depreciation) are not cash expenses.
  - Some items for which cash is paid (e.g., inventory on hand at the end of the month and the computer) are not expenses. What are they? (Assets.)

- Why is the entire cost of the computer not considered an expense? What about the inventory purchased? How much inventory is “left over,” and what is it worth?

**TIP:** This can be explained by asking participants how much of the computer was used up during the month (1/12 based on the useful life) and showing that depreciation expense is a way to spread the cost of the computer over the time frame in which it is used. The amount of inventory actually sold is the amount that appears as an expense for the month.

- Is this a good business? Why or why not? (It is profitable, but the owner has a cash flow problem.) Why? (The problem is timing...the owner pays cash up front for inventory, but the major customer pays on credit.)
JOURNAL: What characteristics of my business have the potential to create cash flow problems? How can I overcome these potential stumbling blocks?

BRIDGES:

• The REAL activity card “Go With the Flow” is a useful warm-up exercise in cash flow.
• Encourage your students to read *Inc.* and other magazines to look for stories of businesses that failed or risked failure because they “grew too fast.” Discuss how cash flow shortages can occur as sales grow quickly. (One common problem is that sales are made on credit while suppliers must be paid in cash.)
• Discuss with participants the need to secure adequate working capital for their start-up businesses.
• “How Sweet Is It?” sets the stage for “Stepping Stones to Cash Flow.”

DEFINITIONS:

• **assets**: the tangible or intangible resources of a person or business
• **capitalize**: provide the capital (money) needed by a business; *capitalize* can also mean that a business treats a piece of equipment as an asset rather than an expense — in this exercise, the computer is *capitalized* rather than *expensed*
• **cost of goods sold**: the direct cost to a business of a product the business sells
• **depreciation**: the allowance made for the decrease in value of property through wear, deterioration, or obsolescence
• **expenses**: charges or costs incurred in running a business
• **inventory**: a listing or stock of items purchased by a business to be resold or used in operating the business
• **profit**: the sum remaining after direct and indirect costs are deducted from the income of a business
• **sales**: income received from a business for the exchange of goods or services for an agreed sum of money
• **straight line basis**: the value of an item to be depreciated is divided equally over its useful life (as opposed to *accelerated* depreciation, which allows the value to be depreciated more quickly)
• **supplier**: an individual or company that supplies a business with the goods it sells or equipment it needs to operate
• **useful life**: the period of time an asset is expected to operate before it wears out or becomes obsolete, as determined by tax laws
• **wholesale**: the selling of goods to *retailers* (businesses that sell directly to the end user) for resale to consumers

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HOW SWEET IS IT?
Maple Syrup Candy
HOW SWEET IS IT?
TechnOption REAL Enterprises, Inc.

PURPOSE:
• to use technology to help analyze cash flow
• to explore the capabilities of the electronic spreadsheet

READY?
Participants are ready for this exercise when they have completed “How Sweet Is It?” and are comfortable with the terminology and concepts presented in it. You should be familiar with Microsoft ® Works spreadsheets (the fields and formulas are set for you) before you facilitate this activity.

MATERIALS:
• definitions, paperwork, and calculations from “How Sweet Is It?”
• calculators (1 per pair of participants)
• “What If?” sheets (1 per participant)
• “What If?” answer sheets and solution pages (for the instructor)

TECHNOLOGY:
• Microsoft ® Works software
• REAL template disks
• participants’ storage disks (optional)
• computer and printer

TIME:
60–90 minutes

PROCEDURE:
1. Set up computer stations; each computer should have Microsoft ® Works installed on its hard drive and a copy of the REAL computer template disk available. Have participants work in pairs or in the smallest groups possible given the number of computers available.

2. After completing “How Sweet Is It?” ask students to discuss ways technology could help analyze and avoid problems like Mabel’s.

3. Help participants locate and open the “How Sweet, P&L” (howswee1.wks) template. This spreadsheet is an income statement (also called a profit and loss statement) for Mabel’s candy business. Instruction students to use the “save as” command to create a copy of the
template. This will allow them to enter and manipulate data without affecting the original. Instruct students to transfer the figures from the original activity onto the spreadsheet.

4. Next, ask students to open the “How Sweet, CF” (howswee2.wks) file (a cash flow spreadsheet) and copy it onto their disks. They should input the figures from their handwritten cash flow worksheet and demonstrate again Mabel’s cash flow problem.

5. OPTIONAL: Participants may find it helpful to print a copy of the cash flow spreadsheet they’ve created at this point.

6. Distribute “What If?” sheets and give participants time to make the calculations suggested in the scenarios. Discuss results together as a class.

REFLECTION:
Lead a debrief of this activity with some or all of the following:

- How did the income statement help predict the success or failure of Mabel’s business? How did the cash flow sheet help? What other information or documents would help predict success?
- How are the two financial statements the same? How are they different?
- If you were given the opportunity to enter a partnership with Mabel, would you? Why or why not?
- If you were to expand this business, how would you invest additional funds? Base your answer on information in the two financial documents.
- Does using electronic spreadsheets make sense for a business of this size and scale? Why or why not?

BRIDGES:

- This activity is good preparation for “Stepping Stones to Cash Flow.”
- Other activities which help students develop understanding of financial documents are listed in the index. Many include TechnOptions.
- Remind students that income statements and cash flow statements may help predict the success or failure of a business. Help students develop and interpret these documents for their own businesses.
- This would be a good time to bring in a CST member, such as a banker or accountant, who could help emphasize and explain the need for financial projections.
WHAT IF?

NOTE: Use the “save as” command to create copies of the “How Sweet” files on your disk. This will allow you to enter and manipulate data without affecting the original REAL templates.

1. Mabel Sierp is determined to bring her business out of its current cash flow crisis. Enter the data from “How Sweet Is It” into the “How Sweet, CF” (howswee2.wks) spreadsheet and determine how much money Mabel will need to borrow to have $50 in ending cash after her first month of operation if she pays all of her bills? The terms of the loan are 10% interest and a maturity of one year. Remember that sales are not shown on a cash flow statement until the cash is received.

2. Mabel realizes that her policy of selling to friends on credit may be problematic. If she had operated on a cash-only basis, how would her financial situation change? Use the spreadsheet to reflect the difference. Would Mabel need a loan now to have a $50 balance at the end of month one?

3. Mabel decides that she is going to operate her business on a cash-only basis. After month one (when she sold 13 cans), Mabel sells two cans more each month than she did the month before for the next 11 months of the year. Assume the business expenses remain constant at $2.00 per can for Maple Syrup Candy, $30 for advertising, and $40 for telephone per month. Mabel repurchases inventory for the number of cans she sells each month in months 2-12. Will she be able to afford a $50 monthly draw? What will be the ending cash at the end of month twelve if she takes the monthly draw?

4. Mabel would like to determine her profit or loss.
   A. Using the figures in example 3 above, print the spreadsheet from the problem above and transfer the appropriate data to the income statement on the “How Sweet, P & L” (howswee1.wks) spreadsheet. What will be her profit for the year?
   B. The cost of maple syrup candy increases to $4 a can in the third month and remains there through the rest of the year. What happens to profit?

5. A. She pays the employee $40 a month, and the employee starts work in month 6. (For this example, ignore payroll taxes.) The employee is good at selling, and sales increase by an additional 4 cans per month in months 7 through 12. What is Mabel’s profit for the year now? (The cost per can of candy remains at $4 in months 3 through 12.)
   B. Did the increase in sales justify hiring the employee based on the difference in profit?
NOTE: Use the “save as” command to create a copies of the“How Sweet Is It?” files on your disk. This will allow you to enter and manipulate data without affecting the original REAL templates.

1. Refer to the Pre-loan Solution to ensure students start at the right point. Refer to Solution 1 for the solution to the problem. A loan of $99.00 will give an exact ending balance of $50. To determine the answer, put different figures into the loan cell under start-up (B6) until ending cash (C25) equals $50. Note that the interest rate (B28) and loan maturity (B29) are set to the correct values. Also note that Mabel only had $30 (3 cans) in cash sales and that she repurchased $20 in inventory.

2. Refer to Solution 2. Mabel would not need a loan because she would have $60 in ending cash (C25) at the end of month one. Note that she sold 13 cans ($130) of candy.

3. Refer to Solution 3. Mabel can afford to take the monthly draw, although she will only have $10 in ending cash at the end of months two and three. She will have a cash balance of $890 at the end of month twelve. NOTE: This is an opportunity for the instructor to show students how to input formulas on the spreadsheet. A formula for inventory repurchases could be placed on row 20 to multiply the cost per can (row 27) by the number of cans sold (line 28). For example, the formula for inventory repurchases in month two (D20) would be =D27*D28.

4. A. Refer to Solution 4A. Mabel’s profit for the year would be $1404.
   B. Refer to Solution 4B. Profit decreases to $884 for the year.

5. A. Refer to Solution 5. Profit for the year is now $748 for the year.
   B. Compare the profit figures on Solution 4B ($884) and Solution 5 ($748). Profit actually decreases by $136.
## PRE-LOAN SOLUTION

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### SOLUTIONS 1 and 2

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**SOLUTIONS 1 and 2**

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**Operating Expenses:**

- Advertising | 30 |
- Telephone | 40 |
- Owner's draw | 20 |
- Inventory Repurchases | 20 |
- Telephone | 40 |
- Price per Can | 10 |

**Loan Repayment:**

- Price per Can | 0.10 |
- Loan interest rate | 12 |
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**SOLUTION 4A**

HOW SWEET IS IT?

© REAL Enterprises, Inc.  www.realenterprises.org
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<td>0 104 120 102 114 126 138 704 150 162 174 186 198 210 1784</td>
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## SOLUTION 5

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<td>(Solution 5)</td>
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Activity: Cathy’s Cleaning Crew
Adapted from Self-Employment: From Dream to Reality
Linda Gilkerson and Theresia Paauwe

Description: This activity helps learners see how quickly or easily a business owner can face cash flow problems. They participate in “creating” the weekly cash flow, watch it deteriorate and find solutions.

Time Required: 30 minutes

Materials: (Note: The Trainer’s Guide for Self Employment: From Dream to Reality includes all master transparencies for this activity. The following is only a partial list and can be displayed by power point, flipchart, whiteboard or as photocopies.)

- 26 transactions (see weekly list of cash transactions on next page) each written on a separate piece of paper that is folded and numbered on the outside.
- An overhead transparency of the complete list of 26 cash transactions (Or, create one transparency for each week of transactions)
- An overhead transparency of the three problems and their solutions (Or, place each problem and its solution on separate transparencies)
- An overhead transparency of the “after” picture of Cathy’s Cleaning Crew

◆ Cathy’s Cleaning Crew: 26 Transactions

Explain that you are going to walk through one month of cash transactions for Cathy’s Cleaning Crew, and you need the class to help you. Hand out Cathy’s Cleaning Crew: 26 Transactions. Each transaction is on a separate sheet of paper that is folded in half, and each sheet is numbered. Ask participants to keep their papers folded for the time being.

Give the class the following background information on Cathy’s Cleaning Crew:

Cathy Smith owns a residential and commercial cleaning business. She has four employees (one of whom is her mother) who work in two cleaning crews. Each crew works the same monthly schedule, cleaning two commercial buildings and seven homes.

Cathy also cleans newly constructed homes for a local builder and vacated apartments for a property management company. She cleans these herself.

Her residential customers pay for cleaning services as they are performed by leaving checks for the crews to deliver to Cathy at the end of each day. The two commercial buildings are invoiced once a month with 30-day terms. Cathy invoices the construction company and property manager as she cleans for them, and they usually pay her within 15 days.
Cathy reimburses her employees for mileage expenses to travel to job sites. She includes these reimbursements with the paychecks each Friday afternoon.

Cathy had no cash-flow plan; she is much too busy cleaning to create one each month.

Use the following list of weekly cash transactions for Cathy’s business (made into transparencies) to show the class what happens as each transaction occurs. To begin, place a sheet of paper over the transactions, so that the class can see only Cathy’s beginning bank balance. Now, ask participants to unfold their papers, and starting with number 1, read aloud the numbered transactions in order. (Some people may not feel comfortable reading aloud in class; make this part of the exercise voluntary).

As each transaction is read, move the paper down, revealing the transaction and the ending bank balance. Be sure to point out when Cathy’s bank balance becomes negative (transactions 8, 9 & 10).
Cathy’s Cleaning Crew, Before ...

Week 1

Cathy starts the week with $75.
1. She collects $180 from residential homes. $225.00
2. Cathy gets a check for $280 for new homes cleaned two weeks ago. $535.00
3. Payroll this week is $435. $100.00
4. Mileage reimbursement total $25. $75.00
5. Cathy needs $12.50 to fill her gas tank. $62.50

Cathy ends week one with $62.50

Week 2

6. Residential homes pay $225 this week. $287.50
7. A new home Cathy cleaned two weeks ago pays $70. $357.50
8. Payroll is $435, which leaves Cathy short. She asks her mother not to cash her check, but her mother cannot afford to do this. $(77.50)
9. Mileage reimbursements are $27. Cathy isn’t sure what to do. $(104.50)

Cathy ends the week with a negative bank balance, and worries that the checks will hit the bank before she can cover them. $(104.50)

Week 3

10. Cathy hears from the bank immediately: Her account is charged an $18 NSF. $(122.50)
11. Cathy borrows $150 from a friend, who is not happy about it. $27.50
12. Residential homes pay $180. $207.50
13. Building No. 2 pays $350 for one month. $557.50
14. Payroll this week is $435. Employees murmur and rush to the bank. $122.50
15. Mileage reimbursements are an additional $26. $96.50
16. Cathy must spend $50 on cleaning supplies. $46.50
17. Cathy needs $12.50 for gas for her car. $34.00
18. An apartment she cleaned last month pays her $75. $109.00

Cathy ends this week with $109, an angry friend, upset employees, and a serious headache. $109.00

Week 4

19. Cathy collects $225 from residential customers. $334.00
20. Building No. 1 pays a $500 monthly cleaning bill. $834.00
21. Payroll is $435, and Cathy is thrilled she has the cash. $399.00
22. Cathy’s angry friend insists on repayment of the $150 loan now! $249.00
23. Mileage reimbursements total $26. $223.00
24. A new home Cathy cleaned two weeks ago pays $100. $323.00
25. Cathy needs gas for her car again: $12.50. $310.50
26. Cathy finally pays herself a salary for the month: $200. $110.50

Cathy ends the month with $110.50 and the dread of facing another month of similar struggles! $110.50

Linda Gilkerson and Theresia Paauwe

Self-Employment: From Dream to Reality

Cathy’s Cleaning Crew
After you have finished reading the transactions, point out that Cathy has had a stressful month. She spent too much time worrying about how to pay the bills, she made her friend angry, she bounced a check at the bank, and her employees (including her own mother) probably are looking for new jobs.

Point out that if Cathy had a cash-flow plan, she might have prevented some of the problems she encountered. Share the following considerations concerning Cathy’s business to make these points:

**Cathy Makes a Plan**

### Consider This

1. **Cathy knows how much and when she will collect from residential customers.** Cathy’s regular customers are on a regular cleaning schedule, and she collects the money when she cleans their homes, so this income is predictable.

2. **Cathy’s payroll amount remains about the same each week.** Cathy knows ahead of time if there are any substantial changes to her regular payroll, since payroll is related directly to her employees’ work schedules.

3. **Her commercial accounts are on contract and pay the same amount each month.**

4. **Cathy knows how much she will have to reimburse her employees for mileage.** She can determine this by looking at the work schedule.

5. **Cathy can make an educated guess about how much income she will collect from cleaning new houses and vacant apartments.** The longer Cathy is in business, the better her guesses will be. **She also can ask the new homes builder and the apartment manager to give her an estimate at the beginning of each month, since they know when they will need her weeks before they call her.**

Given all that Cathy knows and can assume, she can draw a “picture” of when cash is going to come in and when it is going out. It would look like the table at the top of the next page.

Point out to the class that if Cathy had done this before the beginning of the month, she would have seen the cash shortfall coming and make arrangements to cover it. She might have borrowed from her friend in a way that was not so “last minute,” with a plan to repay. She could have delayed paying herself the month before and kept that money in her bank account.
## Cathy’s Cleaning Crew

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<tr>
<th>Date</th>
<th>Description</th>
<th>Cash In</th>
<th>Cash Out</th>
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</thead>
<tbody>
<tr>
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<td></td>
<td>New Homes</td>
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<td>$100.00</td>
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<td></td>
<td>Payroll</td>
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<td>$100.00</td>
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$2,335.00 $2,299.50 $110.50

But even these solutions to her cash flow problems would have been temporary and less than ideal. Use “A Matter of Timing” to make this point:

**A Matter of Timing**

- Without any plan, Cathy didn’t know she was going to run out of cash.
- Had she created a plan, she could have come up with some short-term solutions for her anticipated cash shortages.
More importantly, she would have seen the need to come up with some long-term solutions to avoid further shortages.

**Positive Cash Flow**

- Positive cash flow is a matter of timing.
- One way to create positive cash flow is scheduling cash to come in faster than it goes out.
- Another way is to hold on to cash as long as you can.

These concepts can be put into action in Cathy’s Cleaning Crew. The following problems and solutions show how Cathy might manage the timing of her cash flow. Show the problem first, and ask participants to suggest possible solutions.

**How Can Cathy Improve Her Cash-Flow Plan?**

- **Problem:** Cathy invoices her commercial customers only once a month, even though she cleans for them every week. They pay her invoices according to her terms: within 30 days.

- **Solution:** Cathy could start sending invoices on a weekly basis. The invoice amounts would be smaller (one week of cleaning instead of one month), but the payments would come in faster.

- **Problem:** Cathy pays her employees and reimburses their mileage expenses once a week.

- **Solution:** She could change her payroll and mileage reimbursements to once every two weeks (26 times per year) or, better yet, twice a month (24 times per year). This would allow Cathy to hold onto her cash longer.

- **Problem:** Cathy pays her suppliers in cash when she makes purchases.

- **Solution:** Instead of paying for her supplies in cash, Cathy could establish credit accounts with her primary suppliers. Again, Cathy would hold on to her cash longer.

By making these simple changes, Cathy’s cash flow improves dramatically.

Use “Cathy’s Cleaning Crew, After…” to highlight the after picture:
Cathy’s Cleaning Crew, After…

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<tr>
<th>Date</th>
<th>Description</th>
<th>Deposits</th>
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<th>Balance</th>
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<td>$255.00</td>
<td>$75.00</td>
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<td>New Homes</td>
<td>$280.00</td>
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<td></td>
<td>Gasoline</td>
<td></td>
<td>$12.50</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$735.00</td>
<td>$735.00</td>
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</table>

Week #1: By collecting weekly payments from building 1 and 2 and eliminating payroll expense this week, Cathy ends the week with $735, instead of $62.50.

| **Week 2**| Homes    | $225.00  | $960.00|         |
|           | New Home | $70.00   | $1,030.00|
|           | Building #1 | $125.00 | $1,155.00|
|           | Building #2 | $87.50 | $1,242.50|
| Payroll/2 wks | $870.00 | $372.50 |
| Mileage/2 wks | $52.00 | $320.50 |
| **Total** |          | $320.50  | $320.50|         |

Week #2: Cathy’s payroll and mileage expenses are higher under this scenario, but she has the cash to pay them. She ends the week with $320, instead of a deficit of $104.

| **Week 3**| Homes    | $180.00  | $500.50|         |
|           | Building #1 | $125.00 | $625.50|
|           | Building #2 | $87.50 | $713.00|
|           | Apartment  | $75.00   | $788.00|         |
|           | Gasoline   | $12.50   | $775.50|         |
| **Total** |          | $775.50  | $775.50|         |

Week #3: Cathy avoids an NSF check fee and has no payroll this week. She ends the week with $775, instead of $109.

| **Week 4**| Homes     | $225.00  | $1,000.50|         |
|           | Building #1 | $125.00 | $1,125.50|
|           | Building #2 | $87.50 | $1,213.00|
| Payroll/2 wks | $870.00 | $343.00 |
| Mileage/2 wks | $52.00 | $291.00 |
|           | New Home   | $100.00  | $391.00  |         |
| Gasoline   | $12.50   | $378.50  |         |
| Cathy      | $200.00  | $178.50  |         |
| **Total** |          | $2,185.00| $2,081.50| $178.50|

Notice that Cathy didn’t collect any more cash from her commercial accounts, she just collected it faster. She did not pay her employees any less, she just held onto her cash longer. Cathy still was able to buy cleaning supplies when she needed them, she just deferred payment.

Everybody’s Happy!

◆ As a result of these changes, Cathy didn’t bounce any payroll checks, which made her employees happy.

◆ She didn’t need to borrow money from her friend, which made her friend happy.

◆ She avoided the bank’s NSF charges, which made her bank happy.

◆ And she was left with considerably higher cash balances at the end of each week, which made Cathy very happy. She also begins the new month with a higher cash balance and a management plan.
Daycare Auction Game
Theresia Paauwe

Trainers can use this lively exercise to engage participants in a discussion about several relevant topics: 1) prioritizing needs versus wants when starting a business with limited resources. 2) money management 3) being resourceful and strategic.

<table>
<thead>
<tr>
<th>Time and Technique</th>
<th>Activity</th>
<th>Materials</th>
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</thead>
<tbody>
<tr>
<td>5 minutes</td>
<td>Explain the auction simulation in which bidders, all future owners of home-based daycare businesses, will be bidding on items for their business. Each person will make decisions about how to spend their $100 by bidding on the items they think are most important to the success of their business. Ask for 6 volunteers – 5 will be bidders at the auction and 1 will be the banker (to collect payment for items purchased)</td>
<td></td>
</tr>
<tr>
<td>5 minutes</td>
<td>Read the situation description and the list of packages that are up for auction.</td>
<td>Situation description and packages (attached)</td>
</tr>
<tr>
<td></td>
<td>Distribute $100 to each bidder</td>
<td>$100 in play money</td>
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<tr>
<td>20 minutes</td>
<td>Start the bidding. As each item is purchased, give the winning bidder her “item” (a 3x5 card with item written on it. Make sure she records the amount she spent.</td>
<td>Each package written on a 3x5 card</td>
</tr>
<tr>
<td>10 minutes</td>
<td>When the auction is finished, ask each bidder to answer the following questions: What did you buy? How much did you pay for it? What was your thinking in getting this item? Were you pleased with your purchase? Was there another item you wanted more? Ask the observers, (the rest of the class) about their reactions to the bidders’ strategies. What would they have done differently?</td>
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</tbody>
</table>

**Situation Description**

You want to start an residential daycare for children ages 3-5, from 6:00 am - 6:00 pm. You purchased the vacant home next door to house the daycare. It is a bi-level home with a large, fenced-in backyard You have 6 clients signed up. Once the house is ready, you are confident you will receive licensing for up to 12 children. You only have $100 left to buy everything else you need.

**Welcome to the Daycare Auction Game!!**

**Note from the author:** This exercise is a blast and never fails to get a strong reaction. People do funny things…like bid on items they don’t want to make the bidding go higher while they themselves hold onto their cash for what they really want. Some borrow money, others form partnerships to increase their buying power.
Packages up for auction:

The ‘sleepy baby’ package:
10 sleeping mats plus 20 baby blankets

The ‘keep it clean’ package:
1 vacuum cleaner, 2 buckets, 2 mops, 2 brooms, plus spray & liquid cleaning solutions

The ‘good times’ package:
2 large toy boxes filled with age appropriate, child safe toys

The ‘have a seat’ package:
10 booster seats & 10 car seats

The ‘getaway’ package:
1 eight passenger van

The ‘budding artist’ package:
5 easels, pads of large art paper, plus chalk, markers, & finger-paint sets

The ‘feed the children’ package:
A one month supply of meals for 10 children: breakfast, lunch, dinner & 2 snacks per child per day

The ‘grow a geek’ package:
Two computers with printer, plus 5 children’s software programs

The ‘reach out and touch someone’ package:
Two line phone, answering machine, fax machine, & pager

The ‘easy come/ easy go’ package:
3 dozen baby bottles & 10 cases of diapers

The ‘play it safe’ package:
enough safety gates, cabinet door locks, & outlet covers for the whole house

The ‘great outdoors’ package:
A complete backyard playground: swings, slides, monkey bars, sand boxes, wading pool

The ‘wissy washy’ package:
One large capacity washer & dryer, plus a 2 month supply of detergent

The ‘Walt Disney’ package:
2 TV’s, 2 VCR, and 15 Disney videos

The ‘Indoor/outdoor decorator’ package:
One outdoor “daycare” sign, plus indoor decoration for whole house: children’s wallpaper, decorative borders, wall decals

The ‘kiddy furniture’ package:
4 child size tables with chairs, 2 area rugs, 10 child size lockers, 2-6’ bookshelves with organizer bins

The ‘containment’ package:
5 large playpens & 5 baby cribs with bedding & bumper pads
Finding Your Business Idea
Candace Nelson and Chris Giallongo

This tool provides the design for a three-hour workshop, the goal of which is to help potential entrepreneurs to identify a business idea that both fits their personal skills and preferences and responds to a market opportunity.

Learning Objectives:
1. Participants will identify different types of self-employment.
2. Participants will identify features of different businesses that appeal to them personally, and why
3. Participants will match their own interests and skills with business opportunities
4. Participants will identify market opportunities
5. Participants will learn about tools for market research

<table>
<thead>
<tr>
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<th>Outcomes</th>
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</thead>
</table>
| Discussion 20 minutes | INTRODUCTION:  
In pairs, participants exchange name, place of residence and one thing that makes him special or unique.  
Partners introduce each other |  | Participants get “present” for the workshop  
Participants get to know each other and gain comfort for further sharing. |
| Brainstorm And Discussion 20 minutes | WHAT IS SELF-EMPLOYMENT?  
Participants brainstorm the people they know who are self-employed and the business each has.  
Participants add to this list any additional businesses or opportunities for self-employment they can think of.  
Compare participant generated list to “Top 25 Home-Based Businesses in 1995” Did anyone identify businesses not on this list?  
Facilitator asks for volunteers to select slip of paper from hat with a type of business written on it. Asks each volunteer in turn to react to that business from his own perspective... (e.g. Could you see yourself in this business? Why? Why not?)  
Facilitator culls from these answers factors that help make a match between an entrepreneur and a particular business (e.g. knowledge, skills, interest, how time is spent, work schedule, contact with others, etc.). | List written on flipchart or overhead of Top 25 Home-Based Businesses (see Self-Employment: From Dream to Reality, Gilkerson and Paauwe)  
10-20 slips of paper each with a distinct business written on it and a receptacle to hold them (e.g. hat, basket, bowl) | Participants gain objective sense of the types of businesses that appeal to them and why |
<table>
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</thead>
<tbody>
<tr>
<td></td>
<td>Writes on flipchart. Concludes with explanation that a big part of selecting a good business idea is finding the match between our own dreams, desires, personalities and a given business.</td>
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<td>Individual Task</td>
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<td>20 minutes</td>
<td>PERSONAL ASSESSMENT</td>
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<td>Two options:</td>
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<td>1) Facilitator leads a visioning exercise during which she asks each participant think about his or her individual mission, vision, passion, skills and talents. Use “Exploring Mission, Gifts and Passion” hand-out to jot down ideas, notes</td>
<td></td>
<td>Participants explore and assess personal interests as source of potential business ideas.</td>
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<td></td>
<td>2) Facilitator asks participants to pair off; each pair interviews each other about mission, vision, passion, skills, talents. Each participant uses her answers to complete hand-out for herself.</td>
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<td></td>
<td>Facilitator asks for volunteers to share</td>
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<tr>
<td>Small Groups Activity</td>
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<tr>
<td>30 minutes</td>
<td>MATCHING SKILLS TO BUSINESS OPPORTUNITIES</td>
<td>Completed hand-out from previous activity</td>
<td>Participants gain feedback to help further refine potential business idea.</td>
</tr>
<tr>
<td></td>
<td>Participants divide into two or more groups of four. In each team, one person takes the “hot seat” and submits her list of passions, talents, etc. to a “review committee” – the other 3 members – for its consideration. The committee discusses the business opportunities suggested by the list of skills submitted and offers its findings to the person in the hot seat. Facilitator should instruct committee that they cannot take into consideration whatever they know about the person beyond what she has written on her hand-out. Rotate roles until each person in the group been in the hot seat</td>
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<td>Facilitator concludes exercise by asking for feedback on the process. Did anyone come away with a new idea, something they had not thought of? Did any “committee” really think outside the box? Were there any particularly difficult cases?</td>
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<tr>
<td>Brainstorm And Small Group 20</td>
<td>ENVIRONMENTAL ASSESSMENT</td>
<td>Flip chart paper and colored markers</td>
<td>Participants gain basic skill in assessing market opportunities</td>
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<td>Brainstorm: Beyond your personal preferences, what else matters in choosing a business idea? (e.g. What product or service is hard to find in your community?)</td>
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<tr>
<td>Time and Technique</td>
<td>Activity</td>
<td>Materials</td>
<td>Outcomes</td>
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<td></td>
<td>Which group in particular, needs this product or service? What are the major companies in your town? Do they or their employees suggest any business opportunities?) Facilitator writes a series of headings on otherwise blank flipcharts, and posts these on the wall around the room. The headings should include: • Popular activities/events • Difficult-to-find products or services • Elderly people need: • Teens need: • New parents need: • Company #1 needs: • Company #2 needs: Facilitator distributes different colored markers to participants and asks them to circulate around the room, jotting down ideas for relevant products/services on each flip. Facilitator can divide participants in groups and direct each group to start at a different place to avoid waiting at one flip. However, participants can work individually and should feel free to move about the room as they are inspired and discuss their responses with others as they go. To conclude, facilitator reviews flips and asks: Did anyone have a great idea as they worked their way around the room? Did anyone see an idea they liked? If participants come from several different communities, the facilitator may want to pursue a different technique. One option is to have them work in small groups, organized by community, to explore market opportunities in their town linked to special events, specific segments of the population, or hard-to-find products/services. Facilitator explains that analyzing discrete groups in the population or events in the community is one way to identify market opportunities. Ask: What is the limitation of this exercise? (answer: we focused only on local community). Where else can we look for market opportunities?</td>
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<tr>
<td>Time and Technique</td>
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<td></td>
<td>MATCHING DREAM TO REALITY</td>
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<td>Facilitator selects 1 business from the many that have been suggested during the session and asks participants to help analyze it by answering the following:</td>
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<td>• What issues does this idea raise for you?</td>
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<td>• What skills does this business require?</td>
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<td>• Where is the market for this business – local, regional, national?</td>
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<td></td>
<td>• What would you have to purchase to start this business?</td>
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<td></td>
<td>Facilitator asks each person to select one business idea they like and answer the same questions.</td>
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<tr>
<td>Plenary or Small Groups</td>
<td>FINDING OUT MORE</td>
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<tr>
<td>30-50 minutes</td>
<td>Three options for learning how to find out more about a business:</td>
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<tr>
<td></td>
<td>1) Brainstorm the research activities and tools that are available to learn more (least time consuming)</td>
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<td>2) Simulate further research in class by giving groups of participants sample research tools and simple tasks to accomplish or questions to answer (e.g. give one group trade magazines from a specific industry; send another group to the internet (this activity requires both time and a connected computer in or near training venue)</td>
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<td>3) Offer a separate class/workshop on how to do simple market research.</td>
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<tr>
<td>Plenary</td>
<td>CLOSING</td>
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<tr>
<td>15 minutes</td>
<td>Facilitator leads the group in One-statement Round Robin where each person shares one thing they plan to do the next day to move forward on their business idea.</td>
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<td></td>
<td>Participants begin to focus ideas and examine feasibility issues</td>
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<td></td>
<td>Participants identify market research tools and resources that can be used to further assess the feasibility of their chosen idea.</td>
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<td></td>
<td>Participants identify next steps for themselves in their business development process.</td>
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</table>
### 25 Top Home-Based Businesses in 1995

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Description</th>
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<tbody>
<tr>
<td>Auto detailing</td>
<td>Mail order business</td>
</tr>
<tr>
<td>Coffee house</td>
<td>Medical claims processing</td>
</tr>
<tr>
<td>Consulting</td>
<td>Micro-brewery</td>
</tr>
<tr>
<td>Desktop publishing</td>
<td>Operation of “900” number for profit</td>
</tr>
<tr>
<td>Event planning</td>
<td>Property tax consultant</td>
</tr>
<tr>
<td>Financial aid</td>
<td>Restaurant</td>
</tr>
<tr>
<td>Gift basket service</td>
<td>Secretarial/Word processing</td>
</tr>
<tr>
<td>Herb farming</td>
<td>Seminar promotion</td>
</tr>
<tr>
<td>Home computer operator</td>
<td>Travel agency</td>
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<tr>
<td>Home health agency</td>
<td>Utility/telephone bill auditing</td>
</tr>
<tr>
<td>Home inspection services</td>
<td>Vending machine business</td>
</tr>
<tr>
<td>Information broker</td>
<td>Wedding planning service</td>
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<tr>
<td>Import/export business guide</td>
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</tbody>
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Source: Linda Gilkerson and Theresia Paauwe; *Self-Employment: From Dream to Reality*, p. 13
Many people know right away the kind of business they want to start. But many more come at business ownership only after looking at what kinds of talents or callings they may have, and then exploring how those gifts might translate into a business. After all, wouldn’t the best business be one that allows us to do the things that excite us the most? As you work through the following questions, don’t worry about whether or not you could get paid for doing the things that come to mind for you. Don’t worry about whether or not you think the idea is feasible or has a chance of success. Don’t worry about whether or not you would have the money to pull it off. In other words, DON’T LIMIT YOURSELF!! Right now, we’re just interested in finding out where the excitement or focus might lie for you. Use the questions and spaces below to explore your mission, gifts and passion.

**YOUR MISSION**

What has your intuition, your inner voice or vision been encouraging you to do?
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

What issues or problems do you feel so strongly about that you would spend your time doing something about them?
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

Is there a particular experience you’ve had – a loss or a tragedy – that you could educate or help others to cope with or to avoid?
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

**YOUR GIFTS**

What are some things you are frequently praised for or complimented on?
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

What things come easily to you?
________________________________________________________________________
________________________________________________________________________
What things do people ask you for help with?

________________________________________________________________________
________________________________________________________________________

**YOUR PASSION**

What do you enjoy doing the MOST?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

If money were not an issue, what would you spend your time doing?

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

**YOUR POSSIBLE BUSINESS IDEAS**

Review your answers to these questions. What activities or services or products emerge from your thoughts on your mission, gifts and passions?


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**Also available:**

*Improving Microenterprise Training and Technical Assistance: Findings for Program Managers*, a synthesis and compilation of executive summaries drawn from research projects undertaken by five microenterprise programs seeking to identify the elements of effective training and technical assistance. This 60-page volume can be downloaded free or ordered for $10 to cover shipping and handling.

Full reports written by the five microenterprise programs that conducted research for *Improving Microenterprise Training and Technical Assistance: Findings for Program Managers*, are posted on FIELD’s Web site, www.fieldus.org/li/improvingME.html, and can be viewed or downloaded free.

*Assessment Tools for Microenterprise Training and Technical Assistance*, a manual offering 13 tools designed and used by practitioners to conduct in-depth assessments of their training and technical assistance services. Priced at $15, the manual explains the purpose of each tool, as well as when, during the training and technical assistance process, it should be applied.

A section of FIELD’s Web site (www.fieldus.org/li/index.html) also provides information about FIELD’s research into such topics as: how practitioners can deliver ongoing technical assistance to clients at reasonable costs; how microenterprise organizations can expand their outreach and generate significantly higher numbers of clients; and how organizations can help microentrepreneurs sell their products in more lucrative markets. For general information about FIELD, please visit: www.fieldus.org