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# STARTING AND FINANCING SMALL BUSINESS IN Trinidad and Tobago: A GUIDE

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INTER-AMERICAN INSTITUTE FOR COOPERATION ON AGRICULTURE

OFFICE IN TRINIDAD AND TOBAGO

Pannell Kerr Foster Building, Orange Grove Road, Tacarigua.

Tacarigua Post Office, Tacarigua, Trinidad and Tobago.

Telephone: 645-1058/9. Cable: IICAPOS. Fax: 645-6804



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1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent data collection procedures and the use of advanced analytical techniques to derive meaningful insights from the data.

3. The third part of the document focuses on the implementation of data-driven decision-making processes. It provides a framework for how to integrate data analysis into the organization's strategic planning and operational decision-making.

4. The final part of the document discusses the challenges and opportunities associated with data management and analysis. It offers practical recommendations for overcoming common obstacles and maximizing the value of the organization's data assets.

**STARTING AND FINANCING A SMALL  
BUSINESS IN TRINIDAD AND TOBAGO:  
A GUIDE**

Centro Interamericano de  
Documentación e  
Información Agrícola

2 9 OCT 1992

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Small Business Management for the  
Rural Development Process in Trinidad and Tobago Project

✓  
IICA Office in Trinidad and Tobago  
Tacarigua Post Office, Tacarigua,  
Trinidad and Tobago

November 1988

100.7

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no. 88-011

BV-006143

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# INTRODUCTION

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This Manual is an adaptation of an original publication entitled *Starting and Financing a Small Business in Jamaica: A Guide*, which was written by

Jan Hurwitch-MacDonald

IICA Representative  
IICA Office in Jamaica, and  
Rural Development Specialist

Sandra A.C. Glasgow

IICA Small Business Management Specialist

Dick L. Donaldson

IICA Peace Corps Volunteer  
Small Business Management Specialist

With contributions from:

Irwin E. Telfer

IICA Agricultural Economist

Malcolm H. MacDonald

IICA Emeritus, Agricultural Economist

Trevor L. Boothe

Consultant

Beth L. Amundson

IICA Peace Corps Volunteer  
Small Business Training Co-ordinator

Susan Oechsle

IICA Peace Corps Volunteer  
Farm Management Specialist

Charles Kimball

IICA Peace Corps Volunteer  
Technical Services Officer

Stephen J. Harwood

IICA Peace Corps Volunteer  
Farm Management Specialist

Gallena Stephens

IICA Peace Corps Volunteer  
Small Business Training Specialist

**These individuals were assisted by a number of agencies which contributed resource materials from their programmes, namely:**

- **Dominican Development Foundation, Dominican Republic**
- **Inter-American Development Bank/4-H Loan Programme, Jamaica**
- **Jack's Hill Community Council, Jamaica**
- **Jamaica National Investment Promotion Limited, Jamaica**
- **National Development Foundation, Jamaica**
- **National Union of Co-operative Societies, Jamaica**
- **Self Start Fund, Jamaica**
- **Small Business Administration, U.S.A.**

**USAID Jamaica, provided financial assistance.**

**The work on the original Manual began in January, 1985 and was completed in April, 1986. Continuing the methodology used in the development of *Operating a Small Business in Jamaica*, the materials were taught to trainers who were then observed teaching these same materials to selected businesses. Revisions were made based on the response of both the trainers and the business persons.**

**During this 16-month period, Advisory Committee members also provided feedback to IICA on the training process in each of their agencies. In all, 156 trainers in Jamaica participated in this process, reaching over 4,000 producers. In addition, the materials were tested with 23 trainers in Guyana, whose interest has resulted in an extension of the programme in that country.**

**This methodology of participation and dialogue has made it possible to produce manuals particularly useful to Jamaican micro-entrepreneurs as well as to other business persons in Caribbean Basin countries, though there would be a need for some adaptation, incorporating local examples in each territory. Many individuals—advisors, trainers and producers—made this manual possible. Without them, the exercise would have been meaningless. Because of them, many small business persons now have a manual tailored to their needs.**

Also among the reference material used were:

*So now you have a business, what does that mean?* by Dr. Peter John Gordon  
*An Introduction to Cooperatives* by Trevor Bottomley  
*Business in our Community*, American Institute for Cooperation

The current manual was produced by incorporating information relevant to Trinidad and Tobago and which reflects the unique features of the local environment. This effort was initiated by Mrs. Yvonne Davidson-Mc Kenzie of the Ministry of Food Production, Marine Exploitation, Forestry and the Environment and completed by Mrs. Marlene Johnson-Antoine, IICA National Specialist in Small Business Management. The adaptation was also made possible with the assistance of resource material from several institutions in Trinidad and Tobago, namely:

The Industrial Development Corporation  
The Agricultural Development Bank  
Trinidad and Tobago Development Foundation Limited  
Trinidad and Tobago Development Finance Company Limited  
The National Commission for Self Help  
Trinidad and Tobago Export Development Corporation  
The Republic Bank Limited

and with constructive comments and suggestions from the following persons:

Jan Hurwitch MacDonald	IICA, Jamaica
Dick Donaldson	IICA, Jamaica
David Gonzales	IDC
John Kassie	Ministry of Youth, Sport, Culture and Creative Arts
Angelita Charles	MDC

The adaptation of this Manual to the Trinidad and Tobago situation is a component of the project *Small Business Management for the Rural Development Process in Trinidad and Tobago*, which is being implemented by IICA in cooperation with the Ministry of Food Production, Marine Exploitation, Forestry and the Environment.

**This Guide to starting and financing a small business in Trinidad and Tobago was developed for those individuals or groups who want to start a small business or project and need to find out if their business ideas are feasible. It also takes the micro-entrepreneur two steps further, by looking at sources of financing and those things which need to be done to get the proposed business "off the ground." This guide has also been prepared for the trainers (extensionists, field officers and advisors) who are helping to get these small businesses started.**

**In the current economic circumstances when more and more people are being encouraged to go into their own business, we hope that this Manual will contribute to improved management of small business enterprises in Trinidad and Tobago.**

**The Inter-American Institute for Cooperation on Agriculture acknowledges the numerous agencies and individuals who contributed to the development of this Manual.**

**Chelston W.D. Brathwaite,  
IICA Representative in Trinidad and Tobago.**

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# PART 1: FEASIBILITY





1.

---

## The Idea, People and Resources

---

Many people want more out of life. This may be why some decide to go into business. They may have some specific reasons for going into business. Here are some of the reasons they give:

- to be their own boss
- to earn more money
- to get personal satisfaction
- to provide a service
- several of the above

Why do you want to start a business?

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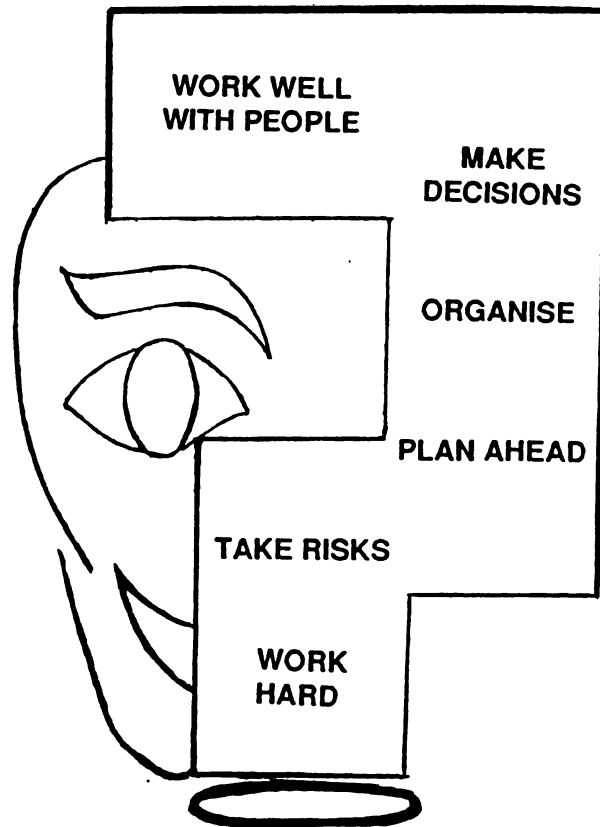
Going into business, or starting a business, will require a lot from you. You must come up with the right *idea* to get the business started, or find the right business to buy. You must also identify the *people* who will work with you, supply your business and buy your product. And you must think about the *resources* needed for your business. These will be material resources, human resources, physical resources and financial resources.

Before considering any of these, however, you must find out if you have the personal qualities which are needed for running a business. Remember, not everyone has these qualities, and it is better to be sure that you do before you get started.

If you are planning to go into any type of business (farming, manufacturing, retailing, service or repair), ask yourself the questions which follow. If there are

several of you planning to work together, each person should do the list of questions which follow.

Under each question, tick the answer that says what you feel or comes closest to it. Be honest, if not, you will only be fooling yourself.



# can you?

1. Can you get things started on your own?
  - a. .... I do things on my own. Nobody has to tell me to get going.
  - b. .... I need someone to get me started, then I'm fine.
  - c. .... Easy man. I don't make any effort until I have to.
  
2. How do you feel about other people?
  - a. .... I like people. I can get along with just about anybody.
  - b. .... I have plenty of friends—I don't need anyone else.
  - c. .... Most people annoy me.



3. Can you lead others?
  - a. .... I can get most people to follow, when I start something.
  - b. .... I can give the order if someone tells me what we should do.
  - c. .... I let someone else get things started; then I get involved if I feel like it.
  
4. Can you take responsibility?
  - a. .... I like to take charge of things and see them through.
  - b. .... I'll take over if I have to, but I'd rather let someone else be in charge.
  - c. .... There's always some smartie around wanting to show how clever he is, I say let *him* be in charge!
  
5. How good an organizer are you?
  - a. .... I like to have a plan before I start. I'm usually the one to think things out when the group wants to do something.
  - b. .... I do alright unless things get too confused. Then I give up.
  - c. .... You get all set and then something comes along and presents too many problems. So I just take things easy.
  
6. How good a worker are you?
  - a. .... I can keep going as long as I need to. I don't mind working hard for something I want.
  - b. .... I'll work hard for a while, but when I've had enough, that's it.
  - c. .... I can't see that hard work gets you anywhere.
  
7. Can you make decisions?
  - a. .... I can make up my mind quickly if I have to. It usually turns out fine, too.
  - b. .... I can, if I have plenty of time. If I have to make up my mind fast, later I wonder if I made the right decision.
  - c. .... I don't like to be the one who has to decide things.

8. Can people trust what you say?
  - a. .... Sure man. I don't say things I don't mean.
  - b. .... I try to be honest most of the time but sometimes I just say what's easiest.
  - c. .... Why bother if the other man doesn't know the difference?
  
9. Do you give up easily?
  - a. .... If I make up my mind to do something, I don't let *anything* stop me.
  - b. .... I usually finish what I start - if it goes well.
  - c. .... If it doesn't go well from the start, I give up trying. Why bother?
  
10. How good is your health?
  - a. .... I'm usually full of energy.
  - b. .... I have enough energy for most things I want to do.
  - c. .... I run out of energy sooner than most of my friends seem to.

Now count the ticks you made:

How many ticks are there beside the *first* answer (a) to each question? .....

How many ticks are there beside the *second* answer (b) to each question? .....

How many ticks are there beside the *third* answer (c) to each question? .....

If most of your ticks are beside the first answers, you probably have what it takes to run a business. If not, you're likely to have more trouble than you can handle by yourself. It would be better if you can find a partner who is strong on the points you're weak on. If many ticks are beside the third answer, not even a good partner will be able to help make the business a success.

Sometimes a person or group of persons knows exactly which type of business they want to start. Other times, those involved know that they want to go into business, but have not yet come up with the *idea*. In either case, a serious analysis (thinking through) must be done. Follow the 5-step method on the next pages. If you know which type of business you want to start, then begin with step 2.



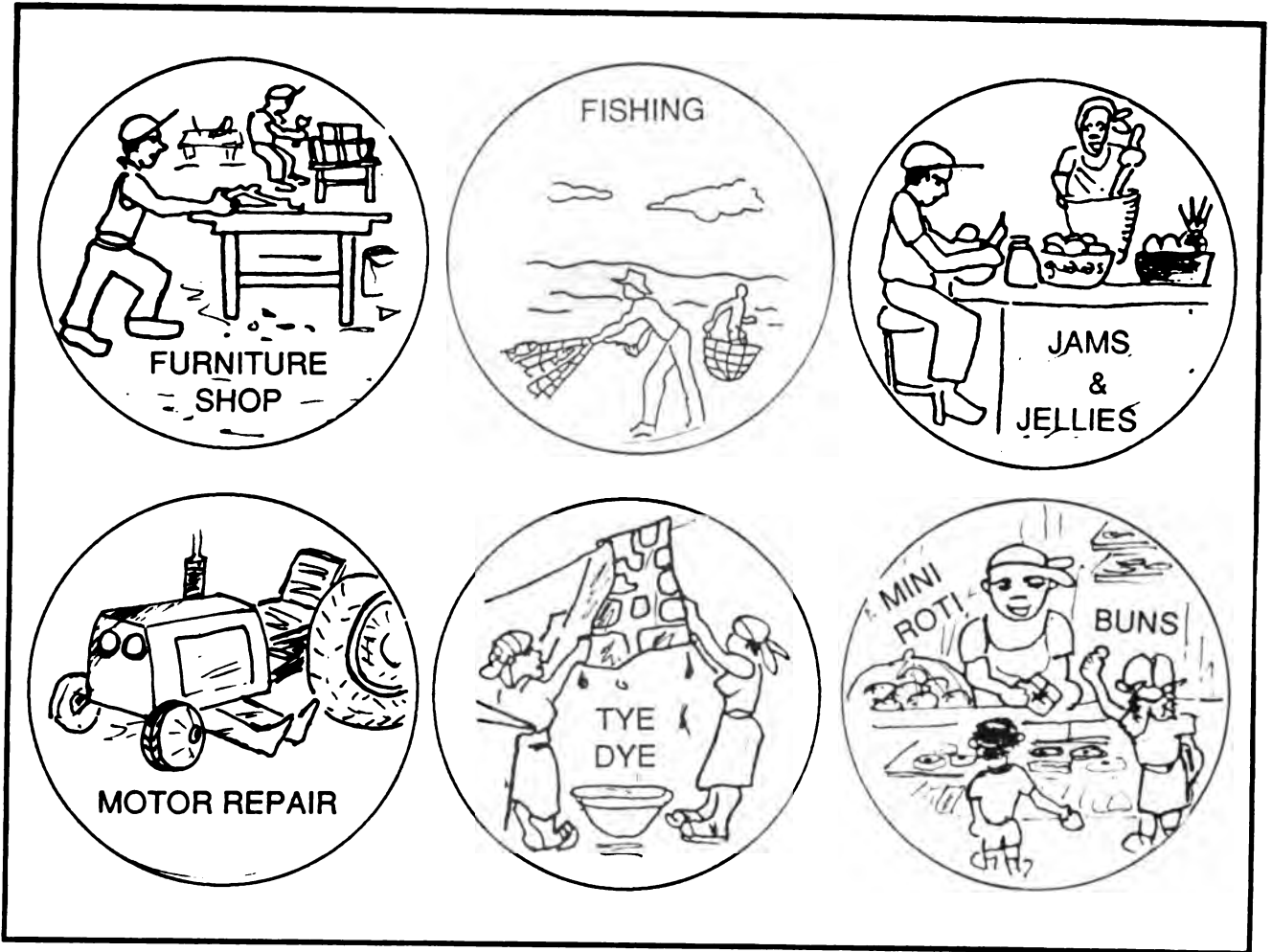
Always remember to do the feasibility study in the next section before making a final decision on the business you will start. These are the five steps to follow:

1. Listing of possible businesses.
2. Deciding upon the resources needed.
3. Studying market demand.
4. Arriving at a first choice.
5. Preparing a feasibility study.

Here is how to go about thinking through each step:

### **Step 1: Listing of Possible Businesses**

Make a first listing of possible businesses which interest you. Ask yourself what you would *like* to do and what you think you would *enjoy* doing. You should also ask yourself whether you have *experience* doing this type of work. If you don't can you *learn* (are you willing to learn and do you know someone to teach you?) You should not leave out a possibility simply because you don't have the experience. You should, however, leave out every possibility you are *not* interested in.



Be sure to make your list in the first column of the chart on page 10. If you need some help with possible ideas, see the list which begins on the following page.

Following is a listing of eight general kinds of businesses, and some suggestions under each:

### I. SMALL MANUFACTURING

dressmaking	shoemaking
furniture making	tailoring
garment construction	welding
hand tool production	

### II. CRAFT

coconut shell craft	post card making
cuatro and guitar making	pottery making
basketry	sewing
crochet	textile dyeing
doll making	toy and puppet design and making
embroidery	weaving
jewellery making	wood-carving
leather craft	glass work
shell craft	

### III. AGRICULTURE

*Crops for domestic markets:*

banana, cabbage, callaloo bush, carrots, chive, citrus, cocoa, corn, coconut, dasheen, hot peppers, mango, pakchoi, pawpaw, pineapple, plantains, pumpkin, peas (all kinds), rice, soy beans, string beans, sugar cane, sweet pepper, sweet potatoes, tomatoes, flowers and ornamental plants.

*Crops for export markets:*

aloe vera, banana, carambola (five fingers), citrus, cocoa, coconut, coffee, cucumber, dasheen, ginger, green beans, hot peppers, passion-fruit, pawpaw, pineapple, pumpkin, sugar cane, sweet pepper, watermelon, yam, zucchini, flowers and ornamental plants.





#### **IV. LIVESTOCK**

**cattle (dairy and beef)  
chickens (broilers and layers)  
ducks  
fish (inland and ocean)**

**goats (meat and milk)  
pigs  
rabbits  
sheep**

#### **V. FOOD PROCESSING**

**canned and bottled foods  
chips (banana, plantain,  
breadfruit, coconut)  
sea moss  
salted meat and fish  
soya derivatives**

**jellies and jams  
sweets  
pickles, relishes  
dried fruits  
dried meat  
dried vegetables**

#### **VI. REPAIRS**

**vehicle repair  
clothing repair  
furniture repair**

**shoe repair  
small appliance repair  
toy repair**

#### **VII. SERVICES**

**bakery  
laundry  
hairdressing  
typing services**

**barbering  
catering  
transport**

**garden and landscape maintenance  
dog care and training  
sign painting**

#### **VIII. RETAILING**

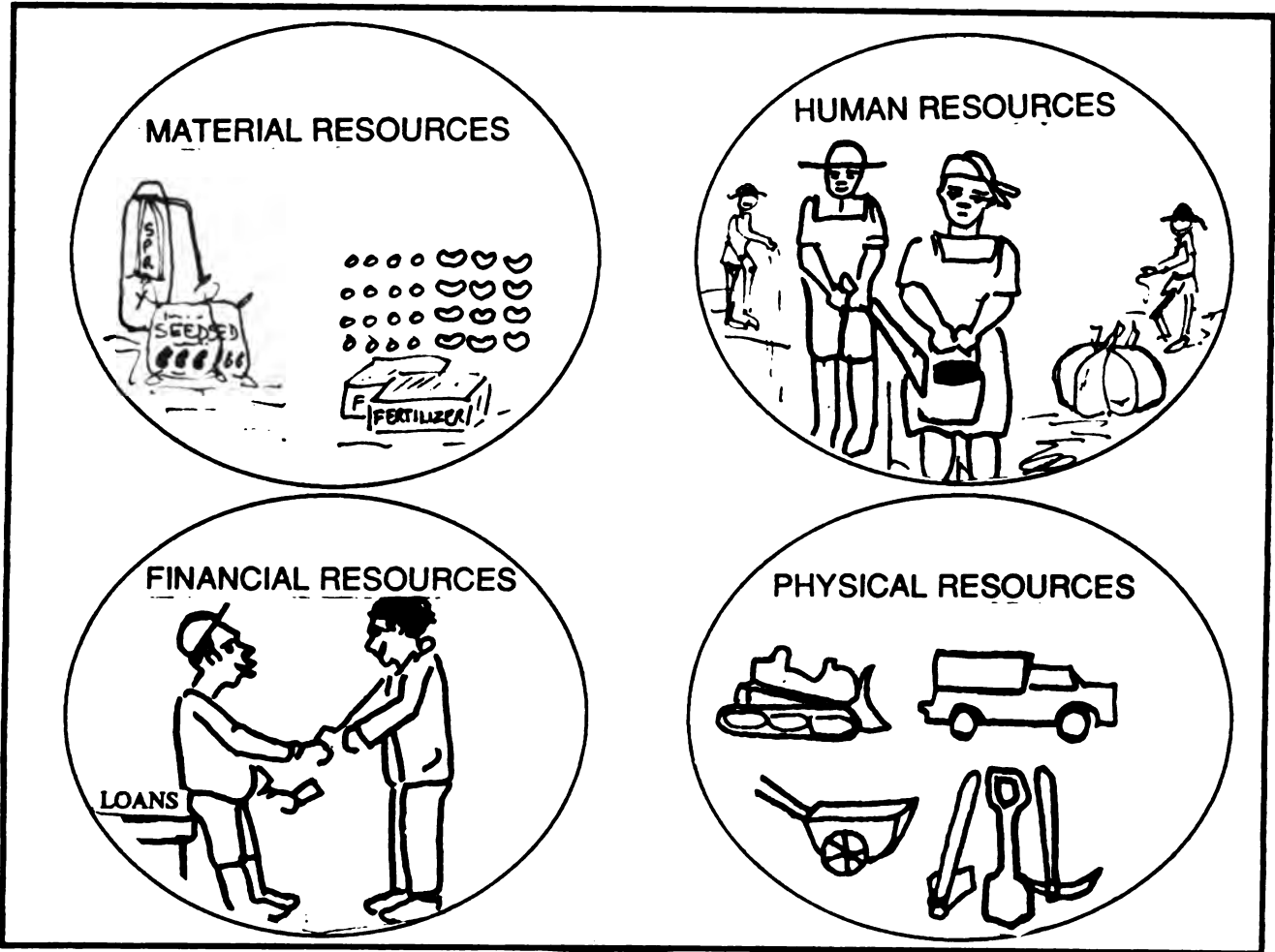
**craft shop  
farm store (seeds, fertilizers, etc.)  
vending  
cafeteria**

**hardware store  
grocery shop  
feed and grain store**



## Step 2: Deciding upon the Resources Needed

There are four types of resources needed to start a business: *material resources*, *human resources*, *physical resources* and *financial resources*.



Look at the chart where you listed business ideas and think about the kinds of resources you will need for each of the possible business you have selected, then fill them in.

## **A. MATERIAL RESOURCES**

**If you are going into farming, you will need good quality seeds, pesticides, insecticides and fertilizers. If you will be in manufacturing, you will need good quality raw materials, readily available and at competitive prices. If you are going to be a retailer, you will need good quality, readily available goods for resale. If you are thinking of offering a service, you will need the necessary supplies to carry out your job.**

**You must also have reliable and trustworthy suppliers. Whenever possible you should have an alternate supplier from whom you may purchase materials, in case problems arise. Think about the raw materials you will need for each business listed and record them in the proper column.**

## **B. HUMAN RESOURCES**

**You and the people who will work with you in your business need to have the necessary skills which will make your particular business venture a success. These skills include:**

- an understanding of how to produce what you will sell**
- an understanding of marketing**
- an understanding of how to manage a business**

**Do you have the particular skills needed for each of the possible businesses?**

**..... Yes                      ..... No**

**If not, is there someone you can learn from?**

---

---

**If it is a small business which you think you can manage on your own, you must ensure that you have the support of your family or friends, because no one can truly exist successfully on his own.**

**Indicate on the chart if the necessary human resources are available for each business listed.**

## **C. FINANCIAL RESOURCES**

Almost every business needs some capital to get started. This money could come from your own savings, from friends or relatives, or from some type of financial institution.

Do you know approximately how much it will cost you to start each of your selected businesses?

You should think about:

- 1) The total amount you will need.
- 2) How much savings you have which you could use.
- 3) How much you can get from friends.
- 4) How much you will need from a financial institution. (Are you sure that you can get a loan from a financial institution?)

Record your choice(s) of funding on the chart.

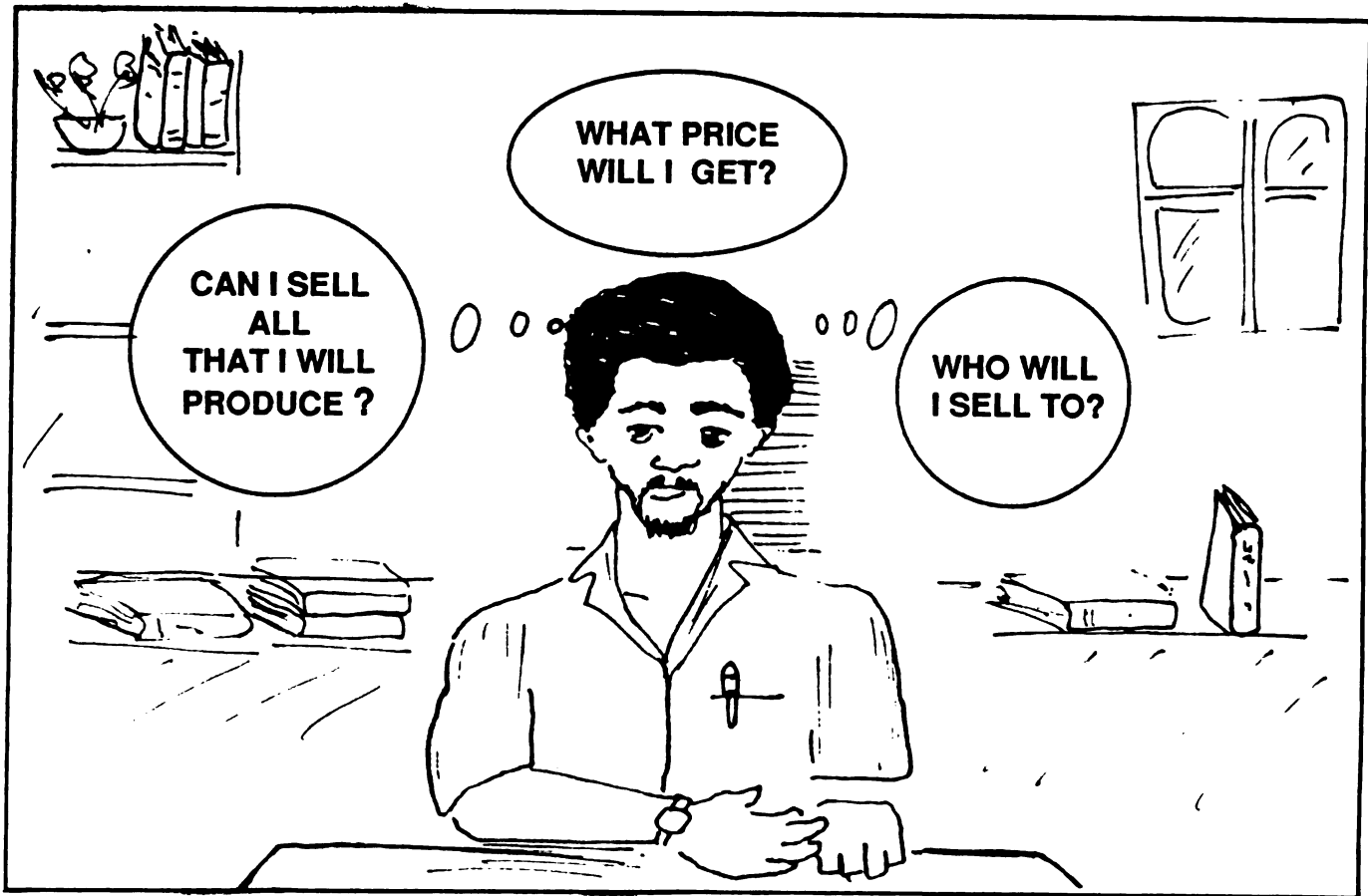
## **D. PHYSICAL RESOURCES**

Most businesses, including farms, need physical resources such as buildings, land, materials and equipment. If you do not have these physical resources at the start, you may have to buy or rent them. Think of the physical resources you will need for your possible businesses and list them on the chart.

### **Step 3: Studying Market Demand**

Your list of possible businesses will be narrowed down when you think about customer demand for the product or service you will offer for sale. For each possible business, ask yourself the questions which follow:

- What product or service will I sell?
- How much of this product or service do I think I can sell?
- At what price?
- Is this price competitive?
- Who would be my customers ?
- Where are they located?



After you have considered these questions, you should indicate on the chart what the market situation is likely to be for each of the business possibilities.

Once you have completed the chart, review the business possibilities and eliminate those which have problems, either with resources or market demand.

Now narrow your business choices down to *three*.

Choice 1 \_\_\_\_\_

Choice 2 \_\_\_\_\_

Choice 3 \_\_\_\_\_

**Of course, if you already know which business you want to start, you need not list choices. But you must review your business idea by thinking through the questions in Steps 2 and 3.**

**Step 4: Arriving at a first choice**

Think carefully about the different choices for a business you have listed. Now list the advantages and disadvantages of each choice. Use the following chart to present all of the information in a way that you can study it.

**CHART TO STUDY BUSINESS CHOICES**

Businesses:	Advantages	Disadvantages
1. _____ (Choice #1)	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____
2. _____ (Choice #2)	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____
3. _____ (Choice #3)	_____ _____ _____ _____ _____	_____ _____ _____ _____ _____

Once you have listed the information on the chart and studied the advantages and disadvantages, ask yourself if you are still satisfied with your first choice. If you are convinced of this first choice, then move on to Step 5. If you are unsure of your first choice, study and analyse the information on the chart. Discuss the advantages and disadvantages with those who will be involved in your business. You may arrive at a different first choice, or you may become more convinced of your original first choice.

Here is an example of how one group used the chart for analysing several business possibilities:

Possible Businesses	Material Resources	Human Resources
Baking cassava pone	Baking ingredients all available	10 experienced; 3 willing to learn
Garments for teens	Cloth and threads are local; tools imported	7 experienced; 6 willing to learn
Educational Material	Paper imported but available	2 experienced; 11 not interested
Chicken-rearing (eggs)	Eggs, feed, medicines imported	10 experienced; 3 not interested
Ornamental horticulture	All local except pesticides	13 experienced but only 2 interested

This group of thirteen young people, came together because they were unemployed and needed to support themselves. They came up with a number of business ideas and completed the chart so they could analyse these business possibilities.

When they analysed all of the information on the chart, they saw that they must eliminate some choices for particular reasons:

- a) they eliminated the *educational materials* because not enough people in the group were interested and because the lending institution was not clearly identified;

b) they eliminated *ornamental horticulture* because only two members of the group were interested and they were not sure they would locate the right land.

Financial Resources	Physical Resources	Market Demand
\$200 start-up expenses to come from savings	Oven and kitchen can be used	2 schools nearby
\$1000 start-up expenses from savings	Good location for a minimal fee	shops have shown interest in samples
\$5000 needed; need loan of \$4000 to augment savings where?	Good location for a minimal fee	schools interested
\$1500 needed; use \$1000 savings; \$500 loan from ADB	Land free bid must consult co-ops	local area is short on eggs
\$2500 needed; \$1000 from savings; \$1500 loan needed	Land must be leased	good! Florists need suppliers

They then had three choices left: baking cassava pone, making garments for teens and chicken rearing. They studied the chart again in order to arrive at a first choice. They were careful to study the column under *market demand*. After discussing the matter they realized that, although the local area was short on eggs, another group with many more resources was planning to start a similar type of business. So chicken rearing was made their third choice. After further discussion, the group decided that making garments for teens should be their first choice because they felt that sales would go better.

**This is how their chart analysing the advantages and disadvantages of their choices looked:**

<b>Business</b>	<b>Advantages</b>	<b>Disadvantages</b>
1. <b>Garments (Choice #1)</b>	faster sales; low investment; good location!	need for expensive, imported tools and machinery
2. <b>Baking (Choice #2)</b>	Schools nearby; low investment; kitchen available	Sales could be slow; not a high-volume business
3. <b>Chickens (Choice #3)</b>	Eggs in great demand in the area; land available at no cost	Other chicken-rearing groups with more resources, medicines imported; expensive

### **Step 5: Preparing a Feasibility Study**

Once you have become convinced of your first choice, you must prepare a feasibility study. This is a study which is done to determine whether or not a project or business idea is profitable and manageable. Remember that the feasibility study must be done for all types of business: farming, manufacturing, retailing, or servicing.

In the previous step you compared several possible businesses and arrived at a first choice. In this step, you will test the soundness of the business you have selected. If your first choice does not prove feasible, you must do the feasibility study again for your second choice. Studying these business possibilities beforehand will help you to avoid starting those which will prove unsuccessful. Doing the feasibility study will not guarantee success, but it will give you a better chance at starting a successful business.



## 2.

---

# Feasibility Study

---

The feasibility study which follows, will determine how certain important factors will affect the possible growth and success of the proposed business, and will help the person with the business idea to decide whether it is worth going ahead with it or not. The study and its analysis, as well as a project plan, will also provide a basis on which financing agencies can make decisions with regard to requests for funding for the business.

The method we will use for doing this simple feasibility study has four parts:

In Part I we will examine your abilities for running the business you are thinking about starting, and make decisions about how the business will be organised.

In Part II we will estimate the probable market for the product(s) or service(s) you propose to offer and determine probable prices and volume of sales.

In Part III we will determine the probable income you would receive from the business, look at the costs of setting up and operating the business and how these costs will be financed.

Finally, in Part IV we will compare the probable income you would receive from the proposed business with what you could earn from alternative uses of your time and skills and decide whether or not you should go ahead with the venture.

When we have finished these four steps, and if they have been done carefully, you should have a fairly good idea of the income possibilities—feasibility—of the small business you are considering. If the business appears feasible, we will summarize the questions you answered in Parts I, II and III, by completing a Project Plan.

## **PART 1. MANAGING THE BUSINESS**

1. **What kind of business will I/we set up?**

---

2. **Do I/we have the special skill(s) needed to run this business?**

Yes .....

No .....

If the answer is "No", you will need to learn the skill from someone who has mastered it. You may instead, wish to hire staff with the skill, but this may be too costly.

3. **Do I/we have any experience in this kind of business?**

Yes .....

No .....

(If you do, this will certainly be an asset. If you do not, don't be discouraged).

---

4. **How many people will be involved in the business?**

---

5. **Who will manage the business?**

---

6. **Who will be in charge of production?**

---

7. **Who will be responsible for marketing?**

---

8. **Who will keep the records?**

---

9. Will the business have a name?

Yes .....

No .....

If "Yes," what will it be called?

---

10. Will the business have to be registered?

Yes .....

No .....

---

11. Are there any licences or special permits which are required to operate the business?

Yes .....

No .....

---

12. Will the business be subject to special taxes or duties (such as excise and consumption taxes)? List them.

---

13. Where will the business be located?

---

---

## PART 2. MARKET STUDY

In order to obtain income from the products you make or the services you offer, you must sell or MARKET them. By answering the following questions, you aim at getting the information which can help you in developing the sales of your product or service. By gathering and analyzing this information, you will be able to tell whether or not there is a market for your product or service. This is called a *Market Study*. You will need to ask questions of others and look at other businesses in your own community and in surrounding communities. You should avoid making guesses, but answer the questions honestly, based on sound knowledge or facts you discovered while you were doing the study. The Central Statistical Office (CSO) and the Industrial Development Corporation (IDC) would be the primary sources of information.

1. What product(s) and/or service(s) do I/we plan to make or sell?

---

2. Have potential buyers seen samples of the product(s)?

Yes .....

No .....

---

3. Is there need for this product or service?

Yes .....

No .....

If "Yes",

Will there be sufficient buyers for what I/we want to produce?

Yes .....

No .....

How many?

---

4. What will customers look for in my product or service?

---

5. Have I/we secured orders or firm commitments from potential customers?

Yes .....

No .....

How many? .....

What is the total value of these orders or commitments? \$.....

---

6. Who will my customers be? (Tick those boxes which apply)

..... tourists

..... vendors

..... housewives

..... farmers

..... school children

..... small firms

..... senior citizens

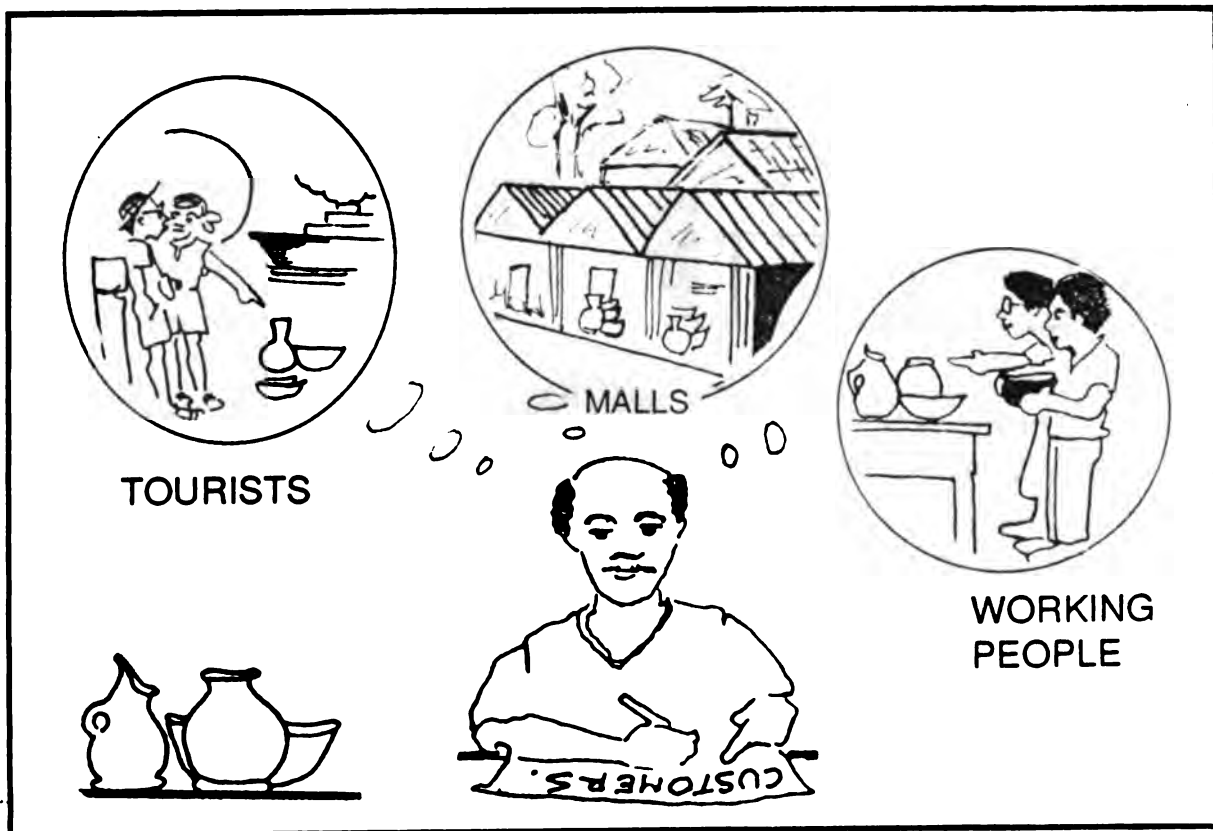
..... large firms

..... middle-aged people

..... males

..... young people

..... females



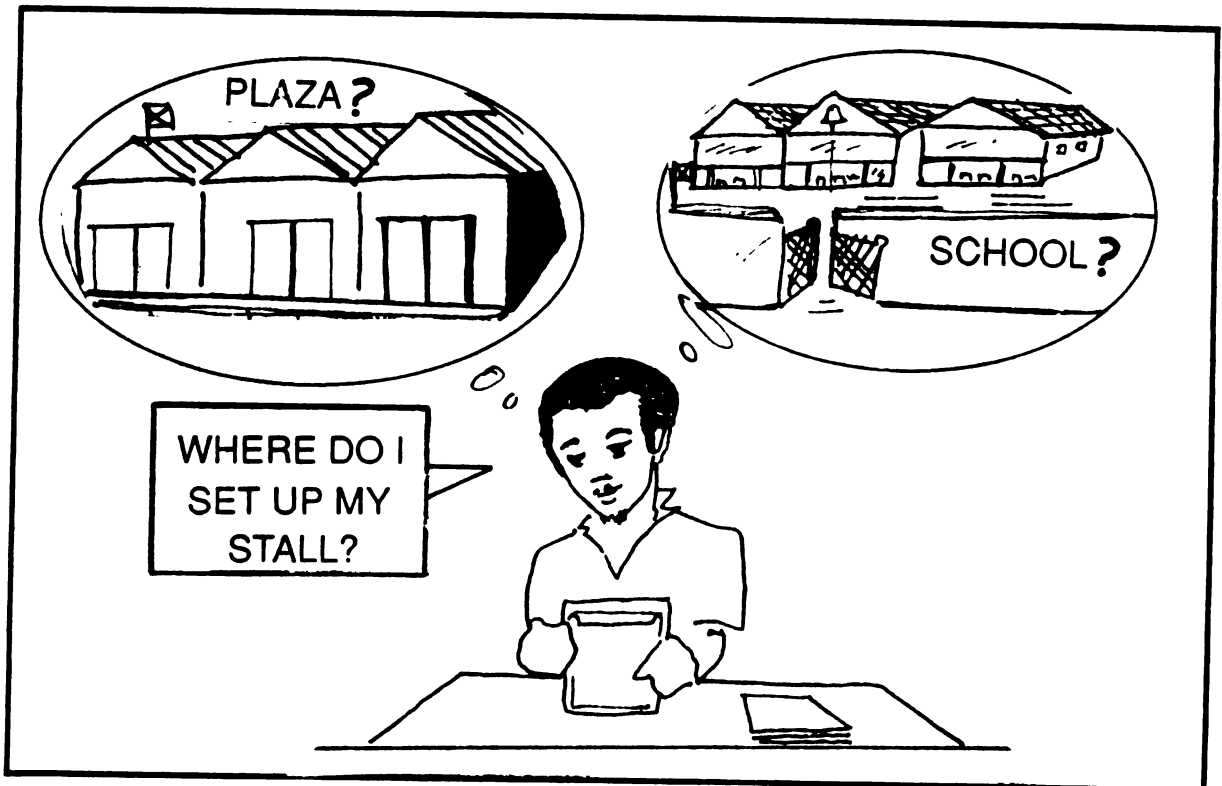
7. Where are my potential customers located?

*(Tick the box or boxes which apply)*

- ..... in my community
- ..... in surrounding areas
- ..... in towns and cities
- ..... overseas

8. How will my customers obtain my product(s) or service(s)?

- ..... they will come to me to buy them
- ..... I will go to them to sell them
- ..... other people will buy them and re-sell them



**9. What will the pattern of sale be like?**

- regular, all year round .....
- irregular, all year round .....
- irregular, seasonally .....

**10. Do I know who my competitors will be?**

Yes .....

No .....

**If "Yes" where are they located?**

	none	some	most	all
in my immediate community	.....	.....	.....	.....
in surrounding areas	.....	.....	.....	.....
in other towns and cities	.....	.....	.....	.....

**Are their product(s) or service(s),**

	none	some	most	all
superior to what I plan to offer?	.....	.....	.....	.....
inferior to what I plan to offer?	.....	.....	.....	.....
about the same quality?	.....	.....	.....	.....
cheaper than what I plan to offer?	.....	.....	.....	.....
more expensive?	.....	.....	.....	.....
about the same price?	.....	.....	.....	.....

**Are customers satisfied with the treatment they are getting from competitors?**

- none of them are satisfied .....
- some of them are satisfied .....
- most of them are satisfied .....
- all of them are satisfied .....

**Are my competitors (*tick one box for each question*)**

	none	some	most	all
new in the business?	.....	.....	.....	.....
in the business for sometime?	.....	.....	.....	.....
very well established?	.....	.....	.....	.....

Are they generally, (*tick one*)

	none	some	most	all
doing good business? (making profits)	.....	.....	.....	.....
not doing good business? (losing money)	.....	.....	.....	.....
just surviving?	.....	.....	.....	.....

11. What advantages will I have over my competitors?

---

12. What advantages will my competitors have over me?

---

13. What material resources will I need for the business?

---

14. Where will I obtain these raw materials or supplies?

in my community	.....
in surrounding towns or villages	.....
in the city	.....
overseas	.....

15. Have I looked for alternative sources of raw materials or supplies?

Yes .....

No .....

If yes, how do they compare with the present sources, in terms of:

	much better	better	same	worst	much worst
cost?	.....	.....	.....	.....	.....
distance?	.....	.....	.....	.....	.....
quality?	.....	.....	.....	.....	.....
reliability?	.....	.....	.....	.....	.....



When selecting raw materials or supplies you should ensure that they are of the required quality and that they will be available when you need them. It is always wise to have alternative sources of supplies.

---

16. What prices can I obtain for my product or service? \$ ..... (per unit)

---

17. What volume of sales can I expect to average each month and how much does this represent in dollar terms?

Product Name	Number of Units	X	Price per Unit	=	Expected Sales
.....	.....		.....		.....
.....	.....		.....		.....
.....	.....		.....		.....
.....	.....		.....		.....
.....	.....		.....		.....
.....	.....		.....		.....
.....	.....		.....		.....
.....	.....		.....		.....
.....	.....		.....		.....
.....	.....		.....		.....
Total Expected Sales					\$ .....

The answers you gave to the questions in Part 2 of the Feasibility Study should tell you whether or not a market for your product or service exists. You should have seen that in order to have a market, the product you will make or the service you will offer must be needed and be acceptable to the right buyers for the right price, and you must sell it at the right place at the right time.

**You will be certain to obtain markets for your product, for instance, if the demand for it is high, if it is produced from good quality raw materials, and if it is well made, if you can produce it at a fair (but profitable) price and if you have identified and are in touch with your customers.**

**If you provide a service, your business will grow as long as you can satisfy your customers with high quality service at a reasonable price together with a high degree of reliability, in a good location.**

**Your potential competitors can provide you with good ideas about the types of products or services you can offer in your business. By observing how they run their businesses, you can also determine what you should and should not do in your own business. You may want to compare competitors' businesses which are doing well and those which are doing poorly, and try to learn from their experiences.**

### **PART 3. FINANCIAL FEASIBILITY**

**When you do a feasibility study for a business idea, you want to find out whether or not the business can provide you with an income which is as good as, or better than what you could earn from other uses of your time and skills.**

**In the first section of this exercise, you are provided with a form which will allow you to calculate your receipts and your costs. By subtracting the costs from the receipts, you will arrive at the income which the business has left to pay you a wage, to cover the costs of financing, and to reinvest in the business.**

**The second section looks at how the business will be financed and finally, in the third section, you will find out how much income YOU will be able to receive from the business.**

## **A. Calculating Costs and Returns**

### **Notes on the Form:**

#### *Estimated sales*

This is the value of the number of units of your product or service you estimate that you can produce and sell in the chosen time period. It is very important that this estimate be based on the careful research of the market you had carried out in the Market Study, as this will decide how accurate your calculation will be.

#### *Costs*

List the various cost which will be borne by the business in providing the product or service, selling the goods or growing the crops, for the time period chosen. You should use as accurate and as current costs as possible.

Some costs may not be directly related to the particular period chosen or the number of items produced or service given. In these cases, be sure to include only the portion which would correspond to the time period chosen. For example, if electricity bills will be paid once every two months and your calculation is for one week, you should only include the equivalent of one weeks payment for electricity in your calculation.

#### *Income to the Business*

To get this, subtract the Total Costs from the Estimated Sales. This "Income," if it is greater than costs, is what will be available for covering loan payments (principal and interest), your "wage" and profits, which can be reinvested.

On the following 4 pages are forms that may be a helpful guide for you to complete the estimated sales and costs for four different types of business; manufacturing, service, retail and farming.

## CALCULATION OF COSTS & RETURNS - MANUFACTURING

<b>PRODUCT</b>	_____		
<b>PRODUCTION:</b>	No. of items	<b>TIME PERIOD</b>	
		(Day, Week, Month, Year)	
		\$	¢
<b>ESTIMATED SALES</b>	_____	_____	_____
<b>Costs</b>			
<b>a) Raw Materials</b>			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<b>b) Packaging &amp; Labelling</b>			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<b>c) Labour</b>			
<b>Hired</b> _____	X	_____	_____
<b>Unpaid</b>		_____	_____
<b>family</b> _____	X	_____	_____
<b>d) Transport (both ways, for buying raw materials and for delivery of finished items)</b>			
_____		_____	_____
<b>e) Rent</b> _____		_____	_____
<b>f) Phone</b> _____		_____	_____
<b>g) Electricity</b> _____		_____	_____
<b>h) Water</b> _____		_____	_____
<b>i) Fuel/oil/propane gas</b> _____		_____	_____
<b>j) Small tools &amp; equipment</b> _____		_____	_____
<b>k) Servicing</b> _____		_____	_____
<b>l) Stationery, stamps, etc.</b> _____		_____	_____
<b>m) Depreciation</b> _____		_____	_____
<b>n) Other</b> _____		_____	_____
<b>TOTAL COSTS (add a to n)</b>	_____	_____	_____
<b>INCOME FOR TIME PERIOD</b>	_____	_____	_____
(Subtract Total Costs from Estimated Sales)		_____	_____

## CALCULATION OF COSTS & RETURNS - SERVICE

TYPE OF SERVICE \_\_\_\_\_

NO. OF TIMES SERVICE WILL

BE PERFORMED \_\_\_\_\_

TIME PERIOD \_\_\_\_\_

(Day, Week, Month, Year)

\$

¢

ESTIMATED SALES \_\_\_\_\_

### COSTS

a) Supplies \_\_\_\_\_ . \_\_\_\_\_

b) Hired Labour \_\_\_\_\_ . \_\_\_\_\_

c) Transportation \_\_\_\_\_ . \_\_\_\_\_

d) Rental \_\_\_\_\_ . \_\_\_\_\_

e) Telephone \_\_\_\_\_ . \_\_\_\_\_

f) Electricity \_\_\_\_\_ . \_\_\_\_\_

g) Water \_\_\_\_\_ . \_\_\_\_\_

h) Fuel/oil/propane gas \_\_\_\_\_ . \_\_\_\_\_

i) Small tools & equipment \_\_\_\_\_ . \_\_\_\_\_

j) Servicing of equipment \_\_\_\_\_ . \_\_\_\_\_

k) Depreciation \_\_\_\_\_ . \_\_\_\_\_

l) Other \_\_\_\_\_ . \_\_\_\_\_

TOTAL COSTS (add a to l) \_\_\_\_\_ . \_\_\_\_\_

INCOME FOR TIME PERIOD \_\_\_\_\_ . \_\_\_\_\_

(Subtract Total Costs from Estimated Sales)

## CALCULATION OF COSTS & RETURNS - FARMING

TYPE OF ENTERPRISE \_\_\_\_\_

ESTIMATED YIELD \_\_\_\_\_ TIME PERIOD \_\_\_\_\_

(Day, Week, Month, Year)

\$                      ¢

ESTIMATED SALES \_\_\_\_\_

### COSTS

- |                                   |       |   |       |
|-----------------------------------|-------|---|-------|
| a) Seeds _____                    | _____ | . | _____ |
| b) Fertilizers _____              | _____ | . | _____ |
| c) Herbicides _____               | _____ | . | _____ |
| d) Pesticides _____               | _____ | . | _____ |
| e) Hired Labour _____             | _____ | . | _____ |
| f) Transportation _____           | _____ | . | _____ |
| g) Rent _____                     | _____ | . | _____ |
| h) Telephone _____                | _____ | . | _____ |
| i) Electricity _____              | _____ | . | _____ |
| j) Water _____                    | _____ | . | _____ |
| k) Fuel/oil/propane gas _____     | _____ | . | _____ |
| l) Small Tools _____              | _____ | . | _____ |
| m) Machinery _____                | _____ | . | _____ |
| n) Servicing _____                | _____ | . | _____ |
| o) Stationery, stamps, etc. _____ | _____ | . | _____ |
| p) Depreciation _____             | _____ | . | _____ |
| q) Other _____                    | _____ | . | _____ |

TOTAL COSTS (add a to q) \_\_\_\_\_

INCOME FOR TIME PERIOD \_\_\_\_\_

(Subtract Total Costs from Estimated Sales)

## CALCULATION OF COSTS & RETURNS - RETAIL

TYPE OF RETAIL OPERATION \_\_\_\_\_

TIME PERIOD \_\_\_\_\_

(Day, Week, Month, Year)

	\$		¢
ESTIMATED SALES _____	_____	_____	_____
<b>COSTS</b>			
a) Goods bought for resale (delivered to store) _____	_____	.	_____
b) Hired Labour _____	_____	.	_____
c) Transportation _____	_____	.	_____
d) Rent _____	_____	.	_____
e) Telephone _____	_____	.	_____
f) Electricity _____	_____	.	_____
g) Water _____	_____	.	_____
h) Fuel/oil/propane gas _____	_____	.	_____
i) Servicing _____	_____	.	_____
j) Stationery, stamps, etc. _____	_____	.	_____
k) Depreciation _____	_____	.	_____
l) Miscellaneous supplies _____	_____	.	_____
m) Other Costs:			
_____	_____	.	_____
_____	_____	.	_____
<b>TOTAL COSTS (add a to m)</b> _____	_____	.	_____
<b>INCOME FOR TIME PERIOD</b> _____	_____	.	_____
(Subtract Total Costs from Estimated Sales)			

## **B. Estimating Start-up Costs**

In order to find out how much financing (your own investment, loans, grants) will be needed to get the business started, you should make a list of all the items which you will need to buy, and all the services which you will have to pay for in order to start operating the business.

These start-up costs are of three types:

- 1) Capital costs
- 2) Operating costs
- 3) Other start-up costs

### *1) Capital Costs*

These are costs for items such as equipment, machinery, vehicles, furniture and fixtures, building, land, etc. If you already own some of these items, they should still be listed and their costs included in your total estimate.

### *2) Operating Costs*

These are costs of raw materials, supplies, wages for yourself and employees, utilities (water, electricity, telephone, fuel, etc.) rental, transportation and miscellaneous expenses.

These costs should be worked out for the period in which you will not have enough income from sales to cover them. For example, if you estimate that it will take, say three weeks to set up the business and sell enough items, to be able to start paying your operating expenses, then your estimate of operating expenses should be worked out for a three-week period. On the other hand, if you think that you will start earning enough money to pay operating expenses, say one week after setting up, then your estimate should be for one week.

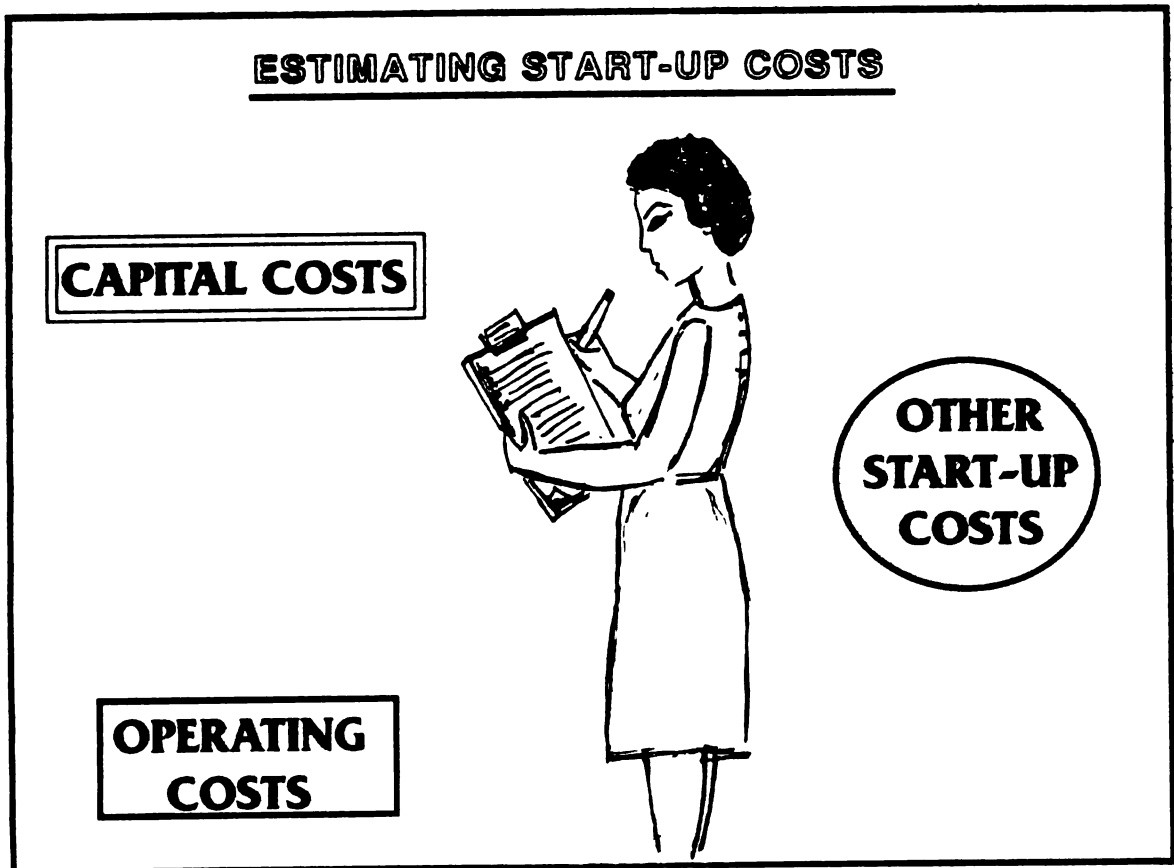
This is important because if you need to get a loan to start the business, you should borrow only as much as you will need before money starts coming in from sales of your goods or services. *Remember*, borrowed money has a cost and must be repaid, so don't borrow more than you really need!



### 3) *Other Start-up costs*

List the expenses you may have to meet in registering the business, paying legal fees and training staff. You should also list any other costs which do not fall under any of the previous two categories.

On the next page is a form which you can use to list your start-up costs, note how much you will invest in the business and determine how much financing you will need from outside sources.



## ESTIMATE OF START-UP COSTS

	\$	£
<b>A. CAPITAL COSTS</b>		
Equipment	_____	_____
Machinery	_____	_____
Vehicles	_____	_____
Furniture and Fixtures	_____	_____
Buildings	_____	_____
Land	_____	_____
Other	_____	_____
<b>TOTAL CAPITAL COSTS</b>	_____	_____
<b>B. OPERATING COSTS</b>		
(For time period until receipts cover costs _____ )		
Raw Materials/supplies	_____	_____
Wages - owner	_____	_____
Wages - employees	_____	_____
Utilities	_____	_____
Rental	_____	_____
Transportation	_____	_____
Miscellaneous Expenses	_____	_____
<b>TOTAL OPERATING COSTS</b>	_____	_____
<b>C. OTHER COSTS</b>		
Registration Fees	_____	_____
Legal Fees	_____	_____
Training Expenses	_____	_____
Other Costs	_____	_____
Total	_____	_____
<b>TOTAL START-UP COSTS</b>		
(add 1, 2, 3)	_____	_____
<b>D. FINANCING REQUIRED</b>		
Amount to be financed	_____	_____
Owner's contribution	_____	_____
Loan/Grant Required	_____	_____

**7. Marketing Arrangements**

**A. Describe your market – to whom you will sell, what areas you will cover, how you will get your product or service to your customer and how you plan to keep your customers.**

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**B. Describe the competition in the market and how you plan to make your product or service competitive.**

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**8. Production Plan**

**A. List the raw materials, goods bought for resale or supplies you will need. Give their sources and availability.**

<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

**B. List the equipment needed and where you will get it.**

<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

**C. List the targets you have set for production each week or month if you are a manufacturer or farmer, or the target for sales if you have a retail or service business.**

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**9. Labour**

**State the total number of people you expect to employ, what they will do and the skills they need.**

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**10. Loan Repayment Schedule**

**List the amount financed, the interest and how much will be paid each year.**

**Loan for \$ \_\_\_\_\_ at \_\_\_\_\_ % Interest for a period of \_\_\_\_\_**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
<b>Loan Balance</b>	_____	_____	_____	_____
<b>Principal repayment</b>	_____	_____	_____	_____
<b>Interest</b>	_____	_____	_____	_____
<b>Total repayment</b>	_____	_____	_____	_____

**11. Projected income statement**

**List your expected receipts and expenses for each year until loan is repaid.**

**Remember to include your loan repayments and depreciation expenses under EXPENSES.**

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>A. Sales</b>	_____	_____	_____	_____	_____
<b>B. Expenses</b>	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
<b>C. Total Expenses</b>	_____	_____	_____	_____	_____
<b>D. Net Profit</b>	_____	_____	_____	_____	_____
<b>(A minus C)</b>	_____	_____	_____	_____	_____

# PART 2 : FINANCING

## A LOAN TO GET YOU STARTED



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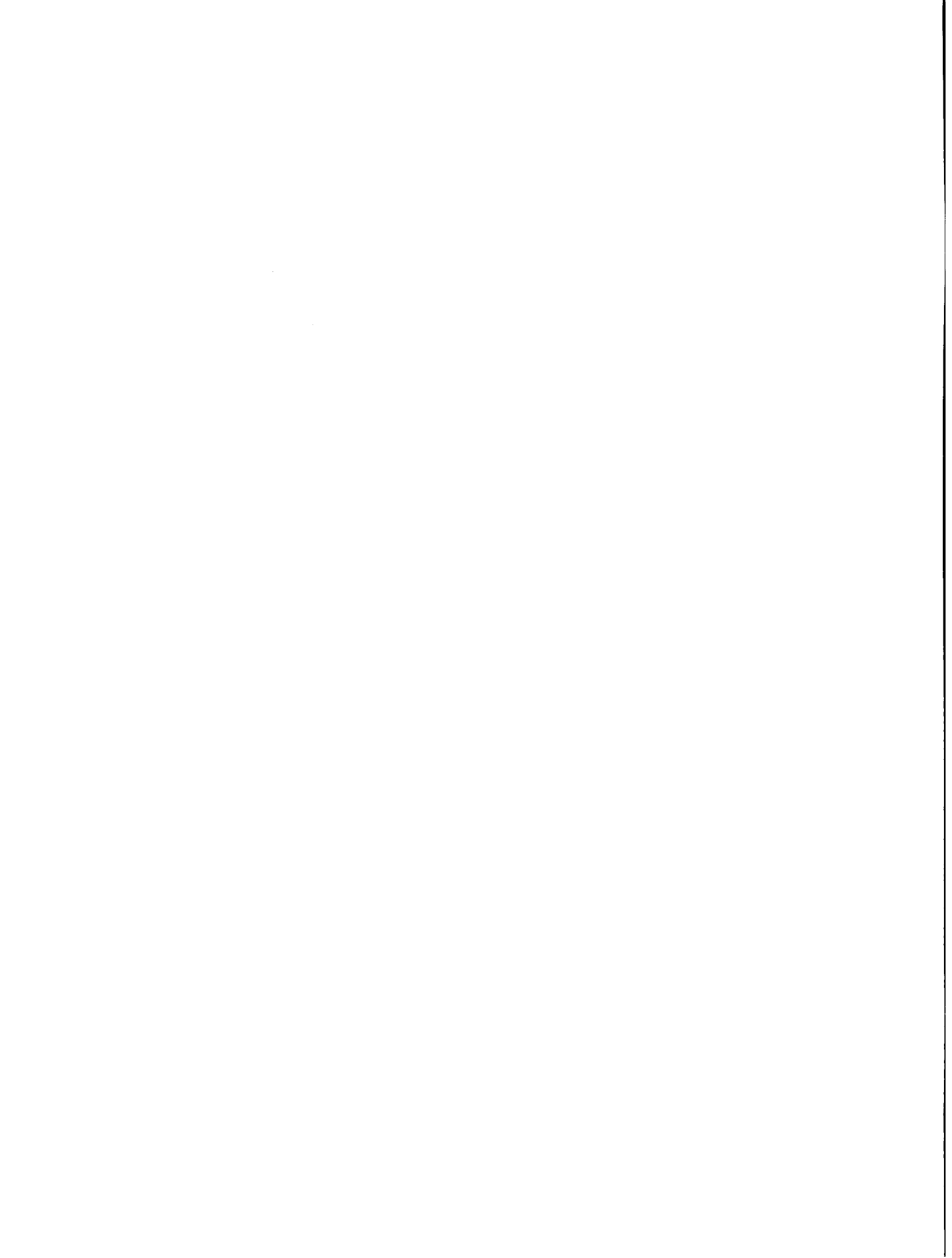
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### 3.

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## What is Financing and Why is it Important?

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**Financing is the money you use to establish, operate or expand a business or undertake a project. The money can be used to:**

- buy land, buildings, or equipment
- enlarge or modernise buildings
- buy raw materials
- pay operating costs until sufficient cash from sales is on hand to cover them.

Almost all businesses need financial resources to operate, as well as an efficient management of this money to operate profitably. You can use your own money (savings) to finance your business or you can get a loan (borrowed money).

The following are the sources of financing most commonly used for small businesses:

- **savings:** money put aside
- **sales of personal goods and property**
- **funds raised:** money obtained from an event held
- **grants:** donations received for doing a particular kind of project or activity
- **loans:** money borrowed to be repaid (usually with interest\* ) over a specific period of time.

There are 2 main types of financing:

1. money which need not be repaid—savings or grants
2. money which must be repaid—loans

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\* Interest: a payment you must make for using someone else's money.

In the following pages, we will discuss these different types of financing.

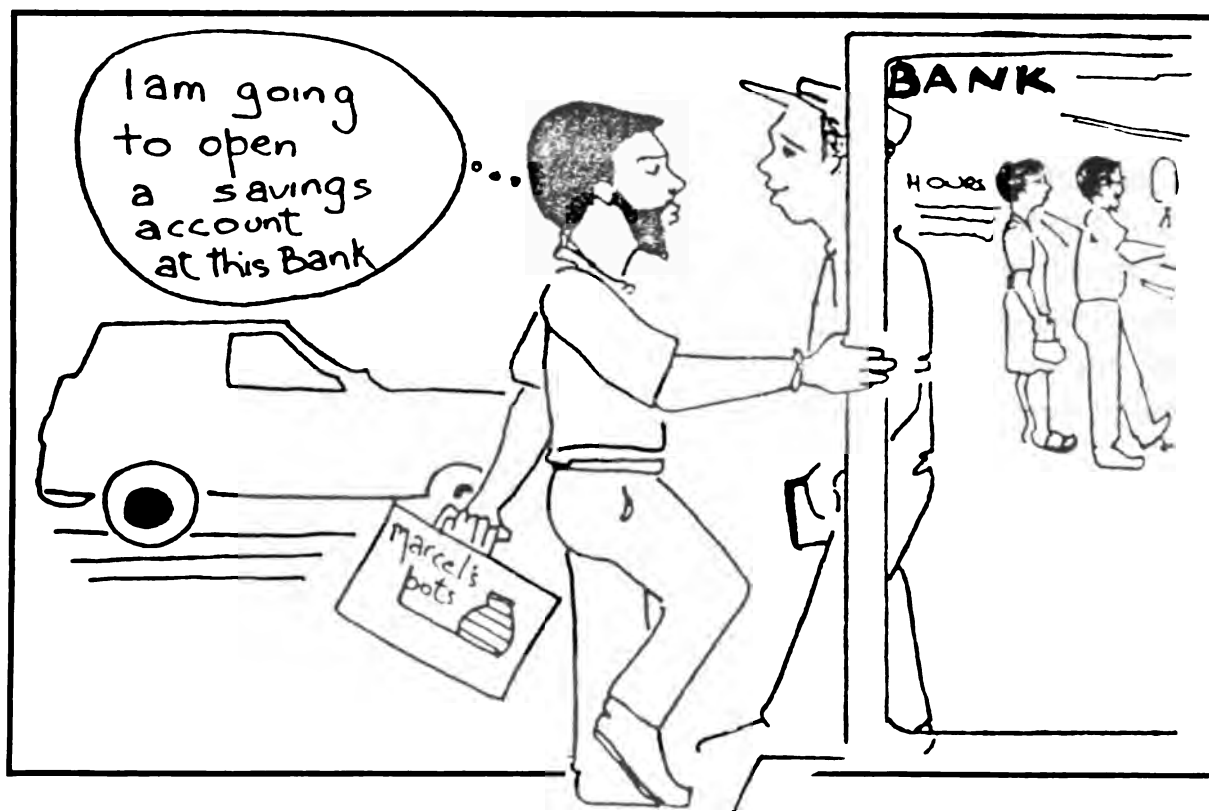
## A. SAVINGS

Cash savings is money put aside for use in the future. If you are planning to go into business, you should save a portion of your earnings. This way, your requirements for loans and grants will be reduced, as you can "lend" your own savings to your business.

Savings can be used for an individual, a partnership or a group business. Here are some ways you can save for yourself and for your business:

### 1. *Join a "sous sous"*

This is very popular as you can usually save a small amount at a time and get your "draw" when you need it most. However, you do not get any interest on your money—in fact, you may lose some—if you have to pay your "banker" a portion of the amount you have saved.





**2. *Join a Credit Union***

**This is a good way to save. You get less interest on your money than you would at a commercial bank, but you can also get a loan at interest rates which are lower than most institutions will lend at. Remember that you must be a member to qualify for a loan.**

**3. *Open a Savings Account at a bank***

**You can get more interest on your money here and maybe a loan, although the interest on the loan will be higher than at the credit union.**

**4. *Plan how to avoid undue expenses***

**Make a budget, setting aside some earnings for savings, and stick to it. You should also try to tighten your budget, so you can save more.**

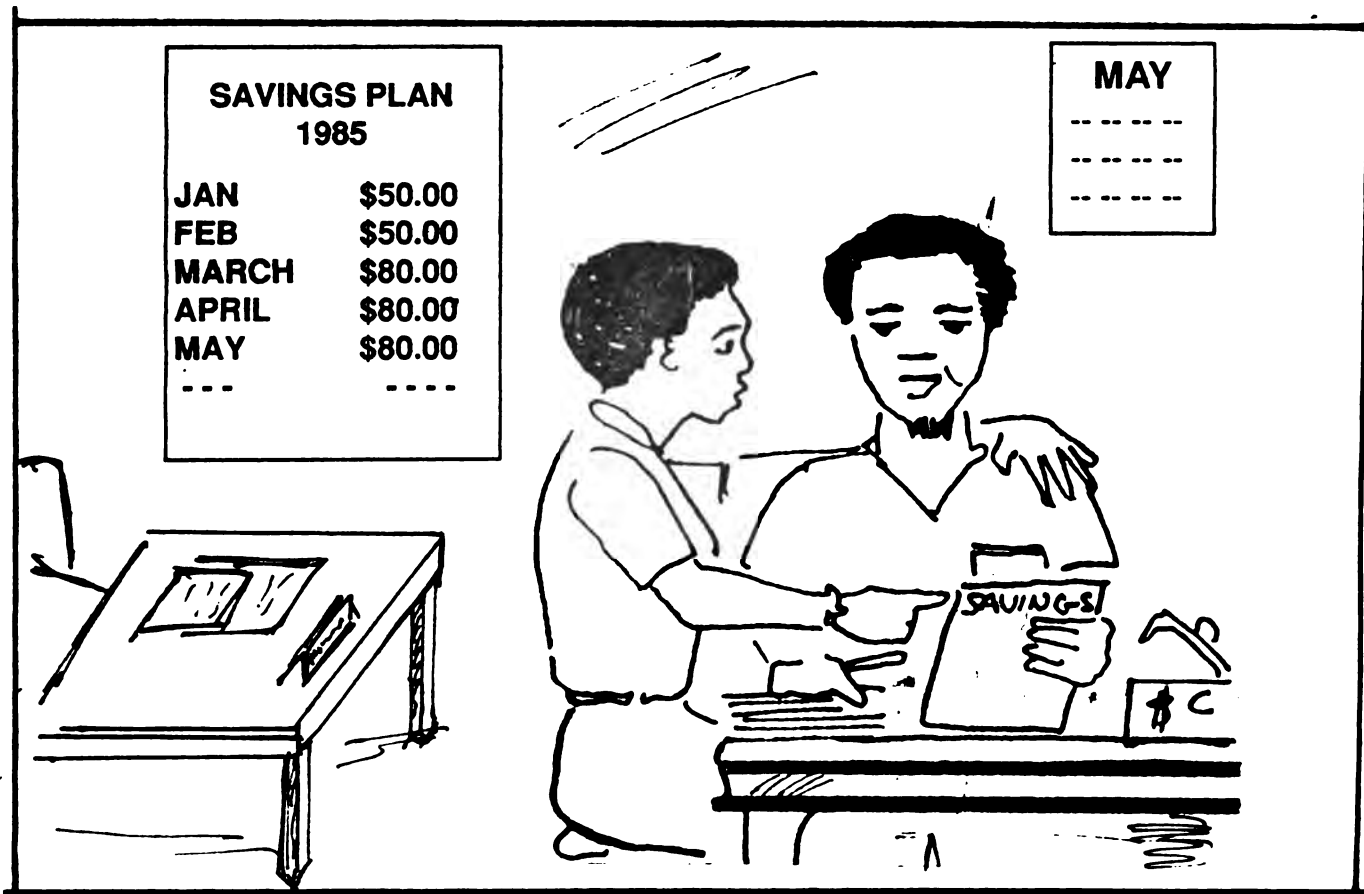
**5. *Increase your production and sales and save the extra income. Raising a pig or a goat, or buying and keeping something of value, is called non-cash savings. When you sell these, they become cash savings.***

**WHAT WORKS BEST FOR YOU?**

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_



Note: Money should be stored in the bank, not at home, under the mattress, or buried in the ground. Why?

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Here are some *advantages* of using your savings to finance your business:

- It makes you less dependent on loans and so reduces the burden of interest payments on your operating costs.
- It means that you reduce the extent to which the bank owns your business.
- You show potential lenders that you are committed to your new business in every way.

Here are some *disadvantages* of using your savings to finance your business:

- You may leave yourself with little funds for family and other emergencies.
- Your savings could earn you more money than it could if you invested it in your business.

## B. SALE OF PERSONAL PROPERTY

Another method of financing your business from your own resources is through the sale of personal goods or property. Before selling any of your goods or property to raise money to finance your business, it is wise to discuss the matter with close relatives who could be affected in any way by the sale.

Here is one *advantage* of using money from the sale of personal property:

- This is money you do not have to pay back.

Can you think of others?

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These are some *disadvantages* of using money from the sale of personal property:

- It may be difficult for you to sell your property.
- You have given up an asset which may be needed in the future.

### C. FUNDS RAISED

These are monies collected from an event held for this purpose. Funds raised for use in a business in this way, can only be used for a community group business or partnership.

Here are some ways of raising funds:

A fete

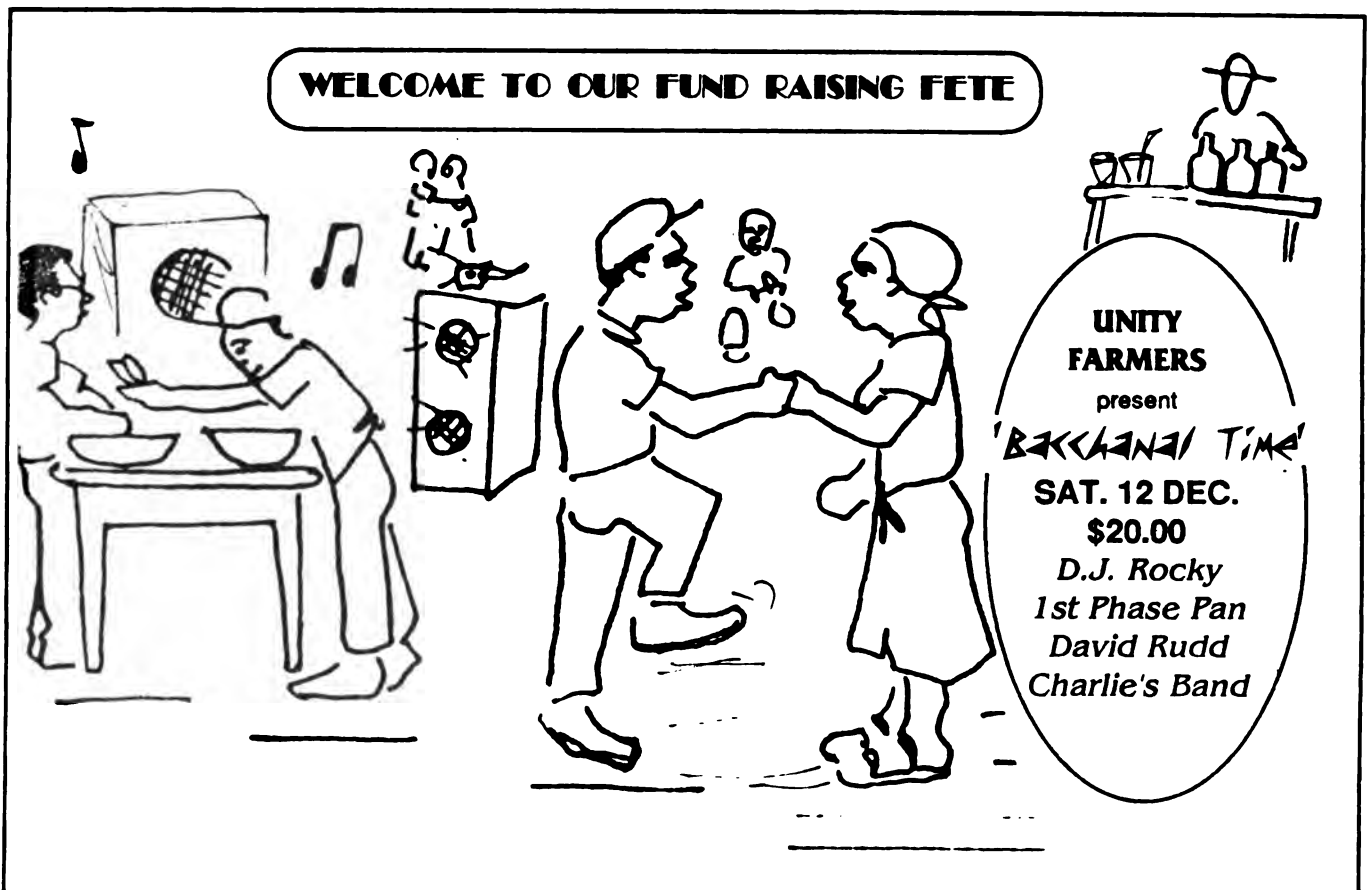
A barbeque

An outing

A bingo

A raffle

A stage show



**Now list some more ways you know of to raise funds:**

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**One *advantage* of fund-raising is:**

- **The money raised belongs to the group business and does not need to be repaid.**

**These are some *disadvantages* of fund-raising:**

- **Fund-raising ventures involve extremely hard work**
- **You don't always come out ahead; you may sometimes lose money when trying to raise money.**

#### **D. GRANTS**

**Grants are donations for assisting a particular kind of business project which some person or organization (donor) is interested in helping and willing to provide money for. For example, government may grant funds to small farmers to cover part of the costs for doing certain soil conservation practices.**

**Grants are usually given to business groups planning projects that the donor has an interest in. Grants are also given in support of projects which local and outside agencies have an interest in promoting. For this reason, it is important when considering sources of grants, that you find out which organization (if any) is interested in providing grants to the type of business you wish to have.**

**The most common sources of grants to small businesses are:**

- **your community**
- **national organizations**
- **international organizations.**

**Let us look at some examples:**

**Your Community:** grants may come from friends, relatives, or church organisations.

**National Organizations:** grants may come from the Government, big local businesses and foundations.

**Do you know of National Foundations which give grants to community businesses?**

**International Organizations:** grants may come from foreign governments or foundations.

**Remember, grants are usually only for *groups* wishing to start a business project.**

**Here are some *advantages* of getting a grant:**

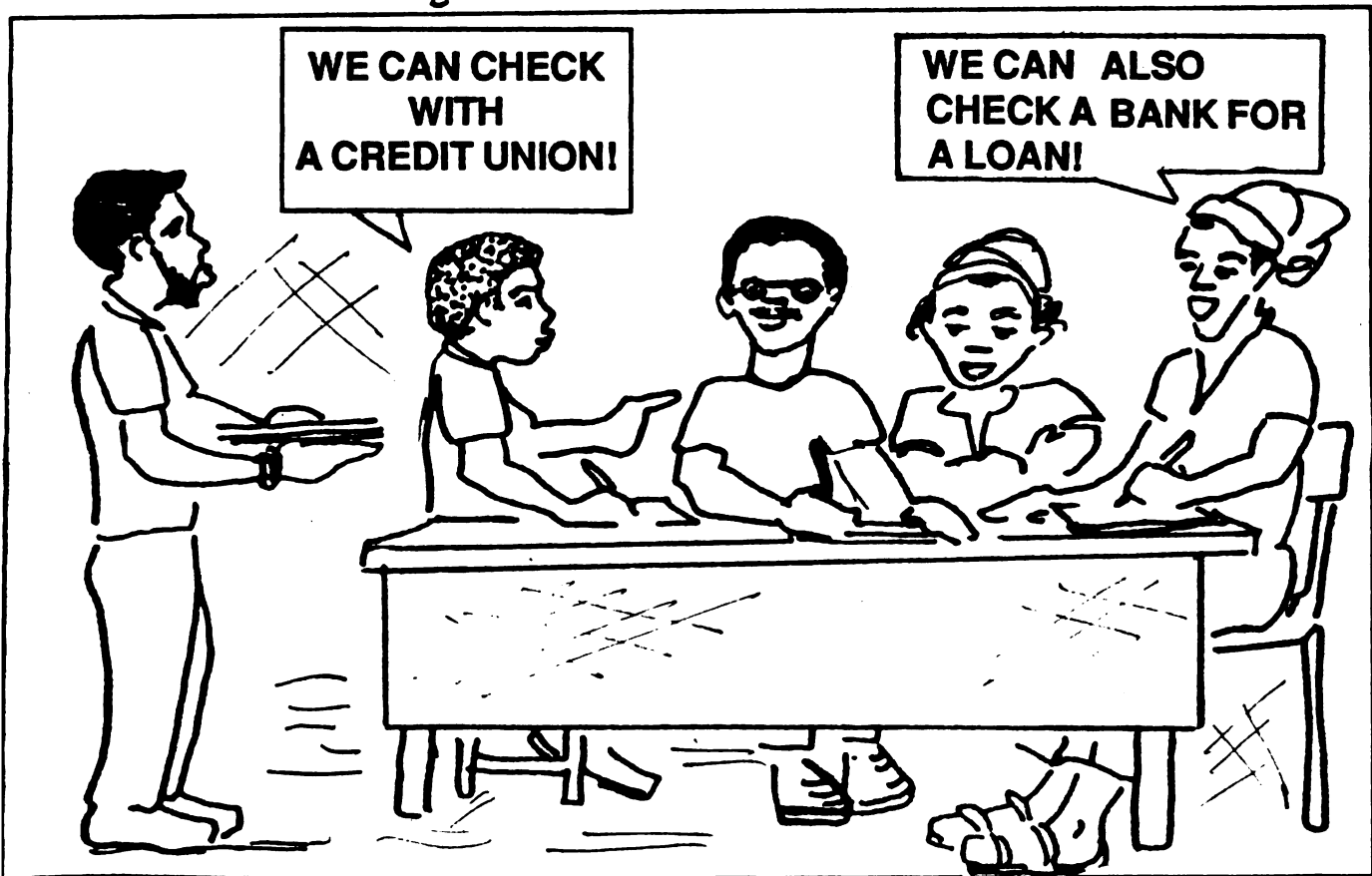
- **The group is responsible for making sure the money is well spent.**
- **The group is not required to repay the funds which have been given.**
- **There is no interest charge attached to the grant.**
- **Grants are sometimes accompanied by technical assistance to get things done.**

Here are some *disadvantages* of getting a grant:

- There is sometimes a temptation to change the direction in which the group wants to go, because it gets money for something else.
- If the group uses the money for other purposes, its reputation will be hurt and most likely the business will also be affected.
- Grants may make a group rely too much on outsiders rather than on the group's own resources.

## E. LOANS

A business loan is money made available by a person or by a financial institution to a business, for the purpose of starting, operating or expanding business activities. The loan is repaid over a specific time period, together with interest charges.



***Advantages of borrowing are:***

- It allows you to begin a business even if you do not have your own money; it also allows you to expand your business if you don't have enough money.
- It keeps your business going until it generates enough money to pay for what you borrowed, and gives you a profit.
- It allows a business to offer goods and services to the society so that the country's economy will grow.

***Disadvantages of borrowing are:***

- You may not need a loan (even if you think you do) and so you may get into debt unnecessarily.
- You may have to make higher payments than the business can afford.
- Loans and interest payments add to the costs of a business and therefore increase the prices of goods and services to the customers.

## **FINANCIAL INSTITUTIONS**

Financial Institutions in Trinidad and Tobago include, Commercial Banks, the Merchant Bank, Trust Companies, Finance Companies, Mortgage Finance Companies, the Unit Trust, the Home Mortgage Bank, the Stock Exchange, the Development Banks, Credit Unions, Insurance Companies, and 'Thrift Institutions', such as, Building Societies and the Post Office Saving Bank.

In our analysis of the avenues of financing available to the small entrepreneur, we will consider:

1. Development Institutions
2. Commercial Banks
3. Credit Unions and Cooperatives
4. Others.



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# Financial Institutions

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## 1. THE DEVELOPMENT INSTITUTIONS

The Government-funded lending institutions or development banks are those which, historically, have depended on Government financing of their operations. They in turn lend at special, lower rates of interest to certain sectors of the economy. They do not accept cash deposits from the public, but rely on the National Treasury and on foreign sources of funds, from such institutions as the Inter-American Development Bank (IDB) and the Caribbean Development Bank (CDB).

Strictly speaking, the development banks were not intended to be profit-making enterprises like the commercial banks, but were set up to help foster growth in special areas of the country, by offering lower rates of interest on loans and by providing support services not normally offered by the commercial banks and other financial institutions.

At the present time, these Government institutions are being asked to reduce their dependency on the National Treasury. Each development institution specialises in one particular area of activity, and is discussed individually as follows:

### a. The Industrial Development Corporation

The Trinidad and Tobago Industrial Development Corporation, IDC is a statutory body created by an Act of Parliament in 1959 to promote the industrial development of Trinidad and Tobago.

The IDC tends to focus on manufacturing, service industries and hotel development but makes special provisions for small business development.

**The Corporation is particularly helpful in the development and expansion of activities and projects which have:**

- a. export potential**
- b. import substitution capabilities and/or**
- c. an agro-industrial base.**

**The elements of the package of incentives for the development of the small business are as follows:**

- 1. Loans up to a maximum of \$500,000 for the purpose of purchasing new machinery, new and used equipment and transport vehicles, the provision of working capital (that is, money for the purchase of stock, rent, wages, etc.), money for the supply of products and services to honour government contracts and money for furnishing buildings.**

The rate of interest on loans is 7 1/2%. There is normally a grace period of three months.

- 2. Investment promotion services such as information on the possibilities for joint ventures and information on the services available from other supportive agencies.**
- 3. Project identification, preparation and pre-investment studies. Through its Library, the Corporation provides technical information for research, and industry profiles to guide entrepreneurs. These profiles contain basic information on marketing, production, capital requirements, materials and supplies, manpower and operating costs. Work flow diagrams and machinery layouts are also included as well as information on where a person can get technical data, materials and equipment.**

The Library also has available, a list of priority projects for investment opportunities in Trinidad and Tobago.

4. **Industrial accommodation through the provision of factory shells to accommodate small scale enterprises, land sites and multi-producer units for individual artisans, light manufacturing or processing and service operations.**
5. **Technical and management assistance. In collaboration with other supporting agencies, the Corporation administers management training and consulting programmes as well as research facilities at a nominal cost. In addition, the Industrial Planning and Business Development Division provides qualified engineers and economists, who give technical counselling and advice.**
6. **Fiscal incentives. Through a combination of incentives such as lower rates of taxation, tax holidays, duty free concessions, loss-offset, income tax exemption on dividends and negative listing of imported products, the Corporation assists in making the business enterprise financially viable.**
7. **The Hotel School which provides training for the Hospitality industry.**
8. **The Small Business Register which is a pre-requisite to obtaining assistance from other supportive agencies.**

***Procedures for Assistance:***

**Small business seminars are held at the offices of the Corporation every Monday at 8.30 a.m. Persons interested in loan assistance are required to attend a seminar at one of the Corporation's three offices at which the prescribed application forms can be purchased. This will also entail discussions on the project with an officer of the Evaluations Division of the Corporation.**

**Applications must be made on the prescribed form and will not be accepted unless all information requested has been provided.**

**To ensure that an application would be processed, all relevant information must be submitted along with verification of accounting records, a visit to**

the business premises and the preparation of an evaluation report on the business operation prior to a decision being taken.

The Government has also recently proposed a Small Business Expansion Incentive Scheme (SBEIS) whereby investors in approved businesses will receive tax relief of up to 50% of their investment after one (1) year in operation. The reduction in corporation tax to small businesses from 45% to 40% plus a 10% rebate, will mean that the corporation tax would be reduced, in effect, to 25%. This Incentive Scheme will be administered through the IDC.

#### **b. The Agricultural Development Bank**

The Agricultural Development Bank (ADB) was established by an Act of Parliament in 1968 to encourage and foster the development of agriculture and commercial fishing and industries connected with these activities, and to mobilize funds for such development. The ADB is similar to the IDC in terms of its credit policies whereby it lends to specified types of borrowers. The ADB is specifically geared towards the promotion of small and medium scale agro industries and primary producers in support of such agro-industries. The Bank presently mobilises funds from non-government sources and intends to be independent of the National Treasury.

There are three types of loans available under the Bank's lending facilities:

- i) short-term—up to eighteen months
- ii) medium-term—up to ten years
- iii) longer term—up to thirty years

The rates of interest do not exceed 12% per annum. The rate of interest charged to individuals with fifty acres or less, and assets of less than \$100,000 can be as low as 3%. Other borrowers are charged 6 1/2%, for example, for the broiler industry, sugar cane, land purchase, vehicles, building and infrastructure. Borrowers with over fifty acres and/or assets over \$100,000 are not eligible for loans at 3%.

## ***The Loans Process***

### **1. Application**

The prospective client visits the Regional Office and is interviewed.

The Loan Application Form is completed.

A deposit is made towards appraisal fee.

The client is informed of the preliminary requirements or specific criteria for the loan.

An appointment for the appraisal visit is made.

### **2. Appraisal**

The Field Officer visits the site of the proposed project.

A loans programme is agreed to and subsequently reviewed.

### **3. Approval**

### **4. Loan Offer**

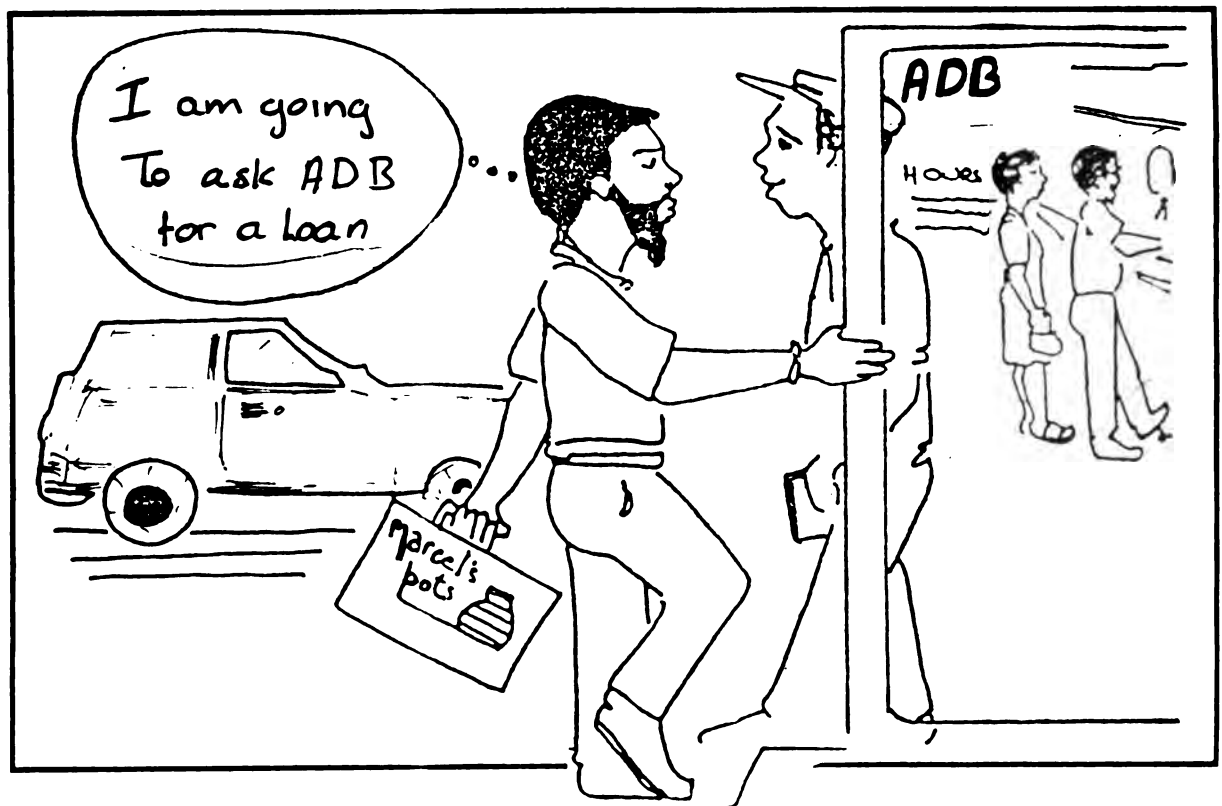
The Client receives the Loan Offer and signs and returns a form indicating acceptance or otherwise of the Loan Offer.

### **5. The Legal Process**

The client makes contact with the Legal Division. Here he is to fulfill certain legal obligations, and a check is made to ensure that the legal documents presented are acceptable. There are four (4) steps in the legal process:

- (a) Title Search of Security
- (b) Search for debts recorded against the applicant
- (c) Preparation of Legal Documents
- (d) Execution of Legal Documents:
  - (i) Signing of Legal Documents by the client and Solicitor
  - (ii) Approval by Solicitor to begin disbursement.

During and after the period that the loan is granted, Field Officers periodically visit the project to monitor progress and provide technical assistance to the client.



### **c. The Trinidad and Tobago Development Finance Company Limited**

The Development Finance Company (DFC) administers a Small Business Fund on behalf of the Government. The Fund was established in 1981 for the purpose of providing financial assistance to manufacturing, processing and assembly operations. The DFC also has a programme for the development of the Arts and Crafts Industry.

The types of loans available are for the following purposes:

- i) revolving loans for the purchase of raw materials; the repayment period is usually ninety (90) days;
- ii) discounting of bills receivable where the producer has to extend credit facilities to the buyer the repayment period is usually ninety (90) days;
- iii) to cover the cost of production of specific job orders, usually Government contracts;
- iv) term loans for the purchase of small tools up to a maximum of \$5,000. To be eligible, an entrepreneur must have an already existing business which owns assets valued at \$500,000 or under. The rate of interest is 7 1/2% per annum.

Other services which are available to the small entrepreneurs are:

- i) provision of technical assistance to producers in the area of developing markets for their products;
- ii) acting as liaison between producer and buyer; and
- iii) provision of advisory services to producers.

The Government has also proposed a \$5 million Venture Capital Fund to be administered by the DFC whereby a certain proportion of the loan given to

**the business will be in the form of venture capital. The Corporation would in effect have shares in the borrower's business.**

### **How the Fund Works**

- i) An application is made after the prospective client discusses the project with the Fund's staff.**
- ii) The client's business place is then visited by the Fund's staff and an evaluation is completed.**
- iii) The client is then formally contacted and advised whether the application has been successful.**
- iv) If successful, the client is requested to sign a letter outlining the terms and conditions of the loan.**
- v) The security conditions are then completed and all legal documents must be signed by the client.**
- vi) Funds may now be made available to the client for the specific purpose stated in the letter outlining the terms and conditions.**

### **d. The Trinidad and Tobago Export Development Corporation**

**The Export Development Corporation was established by the Government in 1984 to promote and encourage export oriented business in the non-oil sector.**

**The EDC provides the following services:**

- (a) general advisory services to exporters and potential exporters;**
- (b) assistance to exporters and potential exporters in penetrating foreign markets;**
- (c) stimulation of export awareness generally in Trinidad and Tobago;**  
**and**
- (d) co-ordination of the activities of all export related agencies.**



In recognition of the importance of the agricultural and agro-based industry as a potential foreign exchange earner for the country, the EDC has begun collecting information on the market prospects for agricultural products in the metropolitan countries. The entrepreneur can have access to market reports, as well as information on the procedures involved in exporting. The EDC provides information and advice on the documentation required, on packaging, freight rates and on market contacts.

The EDC has also proposed a programme of fiscal and financial incentives. An entrepreneur will be allowed as much as a 50% level of grant financing on a reimbursement basis for the purpose of preliminary investment in market development activities, and a 150% tax deductible facility for the purpose of promotional activities.

## 2. COMMERCIAL BANKS

There are eight commercial banks in Trinidad and Tobago, with over 117 branches and offices throughout the country. Most of the banks have been localized through the selling of shares to the public, and where foreign ownership persists, this has very little bearing on their performance, since all management is local and their operations are constrained by foreign-exchange regulations.

In general, the lending policies of the commercial banks are such that each prospective borrower is treated on an individual basis with no specific preferences being offered to small businesses. There tends to be very little differences among the banks in the rate of interest that is charged.

Mention can be made of one bank, the Republic Bank of Trinidad and Tobago which can be regarded as a pioneer in providing support to agricultural ventures with good commercial potential. This is one of the oldest banks in Trinidad and Tobago. Formerly the "Colonial Bank", then "Barclays" and now nationalised to be called the "Republic Bank", this institution is celebrating 150 years in operation. It provides financing and advisory services and has also established a Small Business Fund which is a portion of the bank's

profit especially put aside for the purpose of assisting small entrepreneurs. The Fund administers loans at a lower rate of interest, at 2% below the base rate; provides a moratorium on capital of up to two years, and in some cases provides up to 100% financing.

### 3. CREDIT UNIONS AND CO-OPERATIVES

In Trinidad and Tobago, there are 530 registered co-operatives. Credit Unions and Co-operatives operate nationwide, either as a single entity or as credit union co-operatives. As the name suggests, these institutions serve groups of persons who share a common characteristic. For example, the Eastern Credit Union Co-operatives Society Limited serves people who reside or work in the north-east section of Trinidad. Similarly the Diego Martin Credit Union Co-operative Society Limited or the Water and Sewerage Authority (WASA) Credit Union and Agricola Credit Union Co-operative Society Limited serve employees of WASA and of the Ministry of Food Production respectively.

The loan ceiling (or maximum loan amount available) varies, but the rate of interest on loans is lower than the commercial banks. To be eligible for a loan, the borrower must become a member of the institution by buying shares.

### 4. OTHERS

There are a few private financial companies that offer loans to small businesses. These finance houses accept long-term deposits from the public which are then re-invested in the form of loans to business enterprises.

At present, finance companies do not play a very active role in the development of small businesses.

There are also a few non-profit private organizations that offer assistance to small entrepreneurs starting up new businesses. These organizations may be associated with either a religious body or the Community Development Division.

**Mention can be made of one private, non-profit organization, the Trinidad and Tobago Development Foundation Limited, FUND AID.**

**FUND AID was inaugurated in July 1973 and provides long-term and/or low cost loans and guarantees loans. The organization is geared towards the promotion of self-help development of the less privileged sectors of the community. It provides financial assistance to Community Groups, Clubs and Organizations for the purpose of developing their communities. The financial assistance takes the form of the provision of a guarantee to any commercial bank. Most banks lend for these purposes at base rate and some at 2% below.**

**Some areas where emphasis is placed are as follows:**

- **use of indigenous raw materials in the project**
- **employment generation**
- **improvement of the living conditions of the beneficiary**
- **support of family in the project**
- **community benefits from the project**
- **contribution being made by the applicant.**

### **How the Fund Works**

**FUND AID's involvement in loan financing encompasses a wide area, with the exception of dwelling houses, motor vehicles and musical instruments.**

**Basically, on a request by the applicant, a Field Officer holds several meetings with him leading up to an on-site visit. These discussions are to ascertain and verify information received. Upon satisfaction by the Field Officer a proposal is then presented to the Board of Trustees for approval.**

**Approval takes the form of the provision of a guarantee to any Bank of the applicant's choice. Upon approval, the applicant is given a letter to take to the Bank for drawing of the loan. Processing loan applications may take up to seven (7) days from submission of proposal to disbursement of funds.**

**The applicant may secure his loans by having a co-signer or guarantor. This person signs legal documents agreeing to continue payments on the loan if the borrower can no longer pay.**

**The meetings continue with the applicant to ensure implementation, assist in the development of small business management and to ensure that the repayment schedule is on target. The Board of Trustees monitors the system on a monthly basis, based on information supplied by the Bank.**

**All borrowers are made aware that they must visit, phone, write or inform the Bank or FUND AID as soon as possible problems arise which will prevent the loan payments being made. Failure to do this will greatly damage their credit rating both at the Bank and at FUND AID, making it very difficult for any further assistance.**

## 5.

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# Preparing Loan Proposals

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The reason you prepare a loan proposal is to persuade a bank or other financial institution to lend you the funds you need to start or expand your business. You do this by providing them with information that clearly shows that the loan will be profitable for your business and that you will be able to repay it and the interest charged. You should *make sure* that the information is correct and that the document is neat.

A loan proposal should include the following sections:

**a. Description of the Business**

Information on the type of business activity: describe the product or service to be offered.

Location of the business.

Is it a new business or one you are taking over?

What is your source of raw materials?

Are there any potential foreign exchange earnings?

Information on the management of the business.

Key people involved—include names, ages, qualifications and experience.

## **b. Financial Documents**

A new business will have no "track record" (past performance) and therefore you must present, instead of financial documents, a feasibility study and a budget. In addition, past experience and character references of those who will be running the business should be included.

An existing business should provide copies of any financial documents which will show that the business has been making money. Documents should include cash flow statements, net worth and net income statements, bank statements, bank books, and cash books.

## **c. Reason You Need the Loan**

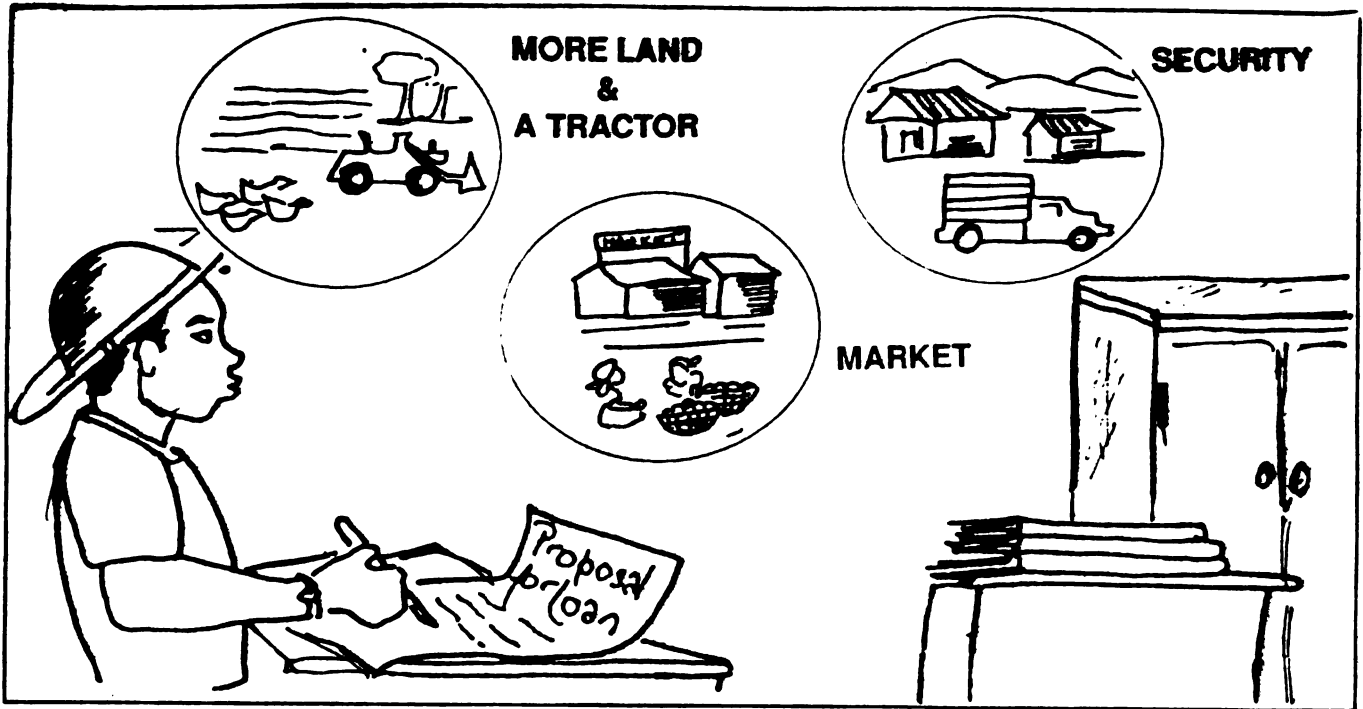
Make a clear and simple statement outlining the purpose for which the loan is required.

State the exact amount of the loan you require and provide information on how you will use it to make your business more profitable. Provide information on how you plan to repay the loan.

## **d. Security (Collateral)**

Provide information on what security you can provide to the bank or financial institution.

Provide information on how much of your own money or property you already have, or can put into the business. Remember that the bank or other financial institution will not lend you 100% of the financing you need for your business. You will always have to put up your own money to help finance the business.



**e. Market in Which You Plan to Operate**

Here are some questions for new businesses which should be answered when preparing your loan proposal:

To whom will you sell your goods and services?

What is the size of the market?

Who is your competition and have you checked out their operations?

**Here are some questions which should be answered in your loan proposal, if you have an existing business:**

**How successful have you been in the past?**

**Do you plan to expand your market?**

**What are some of the advantages and disadvantages of this expansion?**

## **GUIDE TO FILLING OUT A LOAN APPLICATION**

When you go to a financial institution to submit your loan proposal, if the lender thinks your project idea is a good one, he or she will more than likely give you an application form to fill out.

The loan application form is designed to provide the lender with information about you, the possible borrower. If you have prepared steps (a) through (e) in the previous section, you should have most of the information needed to fill out the loan application. However, if you have any doubts, do not hesitate to ask for help, as wrong information can affect your chances of getting a loan.

Some of the information they may ask for on these forms is:

1. *Identification*

Home address and phone number.

Office address and phone number.

2. *Net worth Statement*

How much money and property you own in the business.

How much money you already owe.

3. For a new business:

*A Budget* which should show how much the business expects to earn.



**For an existing business:**

**A *Net Income Statement* which should show how much the business earned in the past period.**

**4. *Loan Request***

**How much money you wish to borrow.**

**Why you need the loan.**

**How you plan to use the funds.**

**How it will be profitable for you.**

**How your production will earn enough for you to meet loan payments.**

**5. *Security***

**Any of the following may be used as security for the loan:**

**land, house, car, equipment, stocks, personal guarantee, proceeds of sales,  
life insurance policies (cash value), money in the bank**

**6. *Character reference***

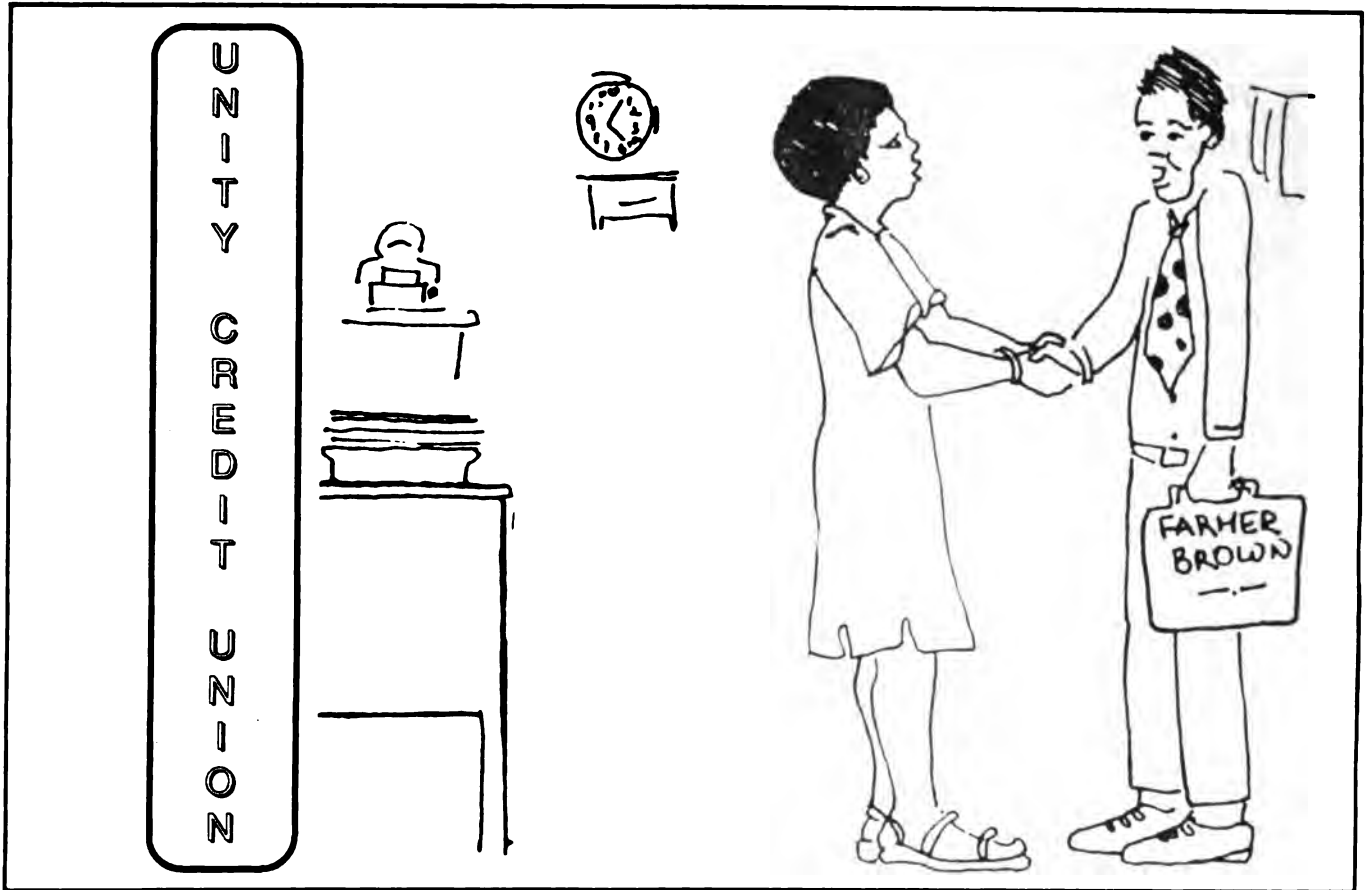
**The names and addresses of people who can satisfy the lender about your good character and your ability to repay the loan.**

**Any statements about loans you have already repaid should be included here.**

**Other points to remember when applying for a loan:**

- 1. In addition to the information the bank requests from you through their application forms, you should always carry with you, specific information about your business. This information should show the cash flow of your business over the period for which you are requesting the loan.**
- 2. A repayment plan will be worked out when the loan is made. This will schedule the repayment of the loan and the interest over a specific period of time.**

The particular nature of your business activity should be considered when deciding upon the repayment schedule. For example, in agriculture it is very important to time your repayment to coincide with the time when you receive income from the crops you harvest, or the livestock you sell.



## Preparing Grant Proposals

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Remember that grants given to start or expand a business are provided by donors for doing a particular kind of project. The donor is the person or organization giving the money. The money is also given to *groups*, and even then, usually must be used in specific ways.

In order to be considered for a grant, you must prepare a proposal which gives details of your financial need and provides convincing reasons why a donor should give you a grant.

The first step in this process is being clear about your business project, what you want to achieve and what your needs are. Answer the following questions:

1. Why do you want to start or expand the business?

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2. How many people will be involved? .....

How many men? ..... How many women? .....

Remember: At least three people, and preferably more, should be involved to qualify for most grants.

**3. If you receive the grant, what are you going to do with it? Give a step by step account:**

**Step 1** \_\_\_\_\_

**Step 2** \_\_\_\_\_

**Step 3** \_\_\_\_\_

**Step 4** \_\_\_\_\_

**Step 5** \_\_\_\_\_

**Step 6** \_\_\_\_\_

For example, The Presidents Youth Club pottery project is seeking a grant to include more young people from the community in their production process. Here is how they worked out their step by step account:

**Step 1:** Select 10 young people to join the project based on a skills test.

**Step 2:** The young people receive an introductory training in pottery for 3 months.

**Step 3:** A basic business course is given lasting 1 month.

**Step 4:** A basic marketing course is given lasting 1 month.

**Step 5:** Each of the 10 new members works as an apprentice with one experienced member of the project for 6 months.

**Step 6:** The 10 new members select their best products to show as samples to get orders from the shops. Once each receives a first order, he is ready to begin working as a full member of the project.

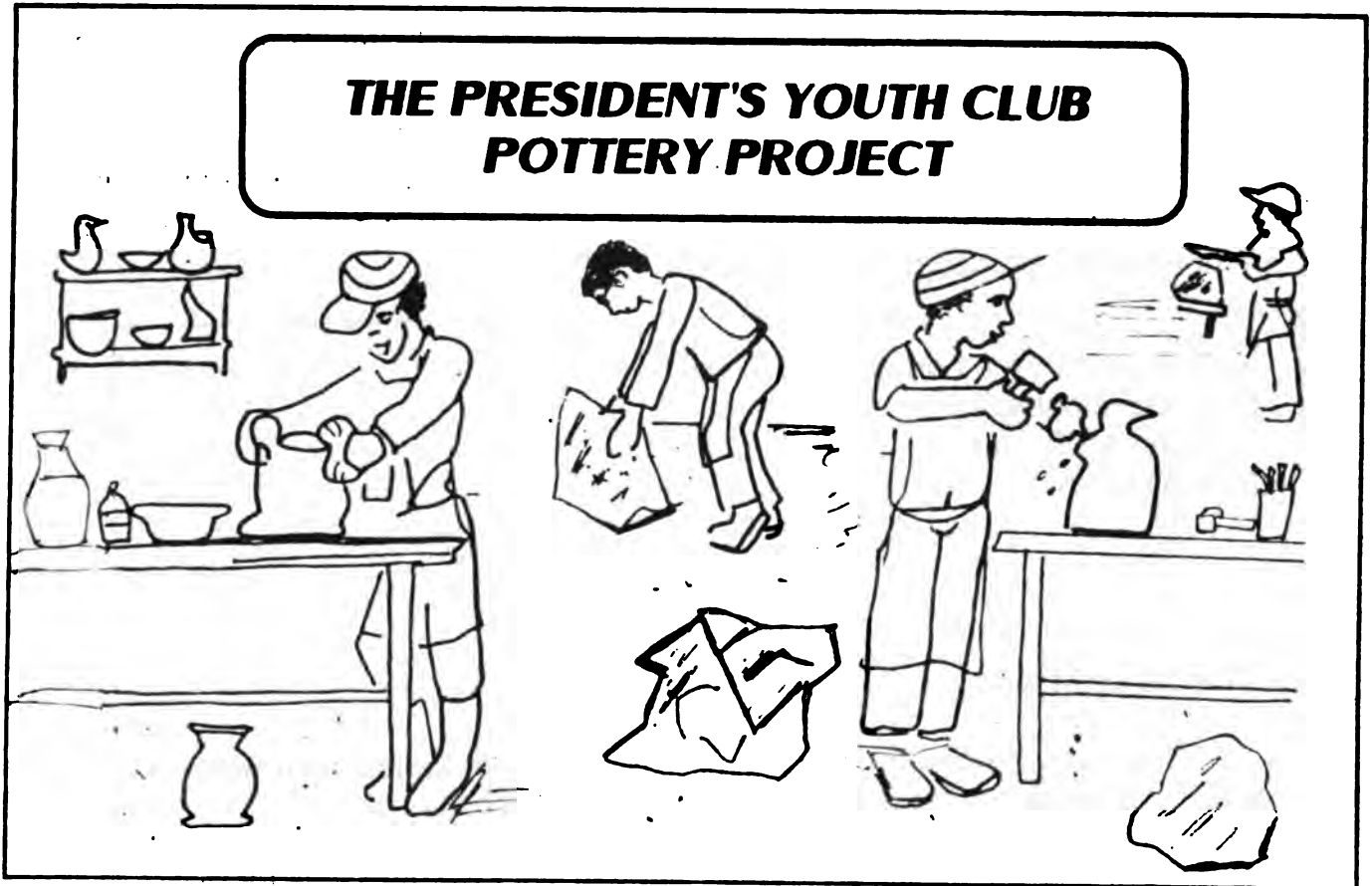
After you have listed the steps in the project, answer the following questions:

**4. How much money do you need from the granting agency?**

**Financial need:** \_\_\_\_\_

5. What will you do with the grant money?

Priority: \_\_\_\_\_



For example:

The President's Youth Club pottery project needs TT\$30,600.00 in order for 10 young people to become alabaster producers.

Therefore, their financial need is TT\$30,600.00

Their priority is training for 10 young people

The next step is to identify funding agencies which offer grants in the same areas as your financial needs and priorities.

Select the ones you think are right for you. Don't be afraid to send your project proposal to more than one funding agency. If they ask you about this, tell them the truth. Never lie to a funding agency as this can hurt your project in the long run. Once you have decided on appropriate funding agencies, you may wish to proceed in *one of the following ways*:

1. Write the funding agency a brief letter describing your project and requesting their Annual Report and guidelines for grant application. The Coblentz Woolspinners prepared the letter below.

Representative for Trinidad and Tobago  
Craft Development Foundation  
1612 W. Madison Street  
New York, N.Y.  
U.S.A.

Dear Sir or Madam,

Coblentz Woolspinners project involves 15 ladies who weave woollen products such as place mats, hand bags and belts.

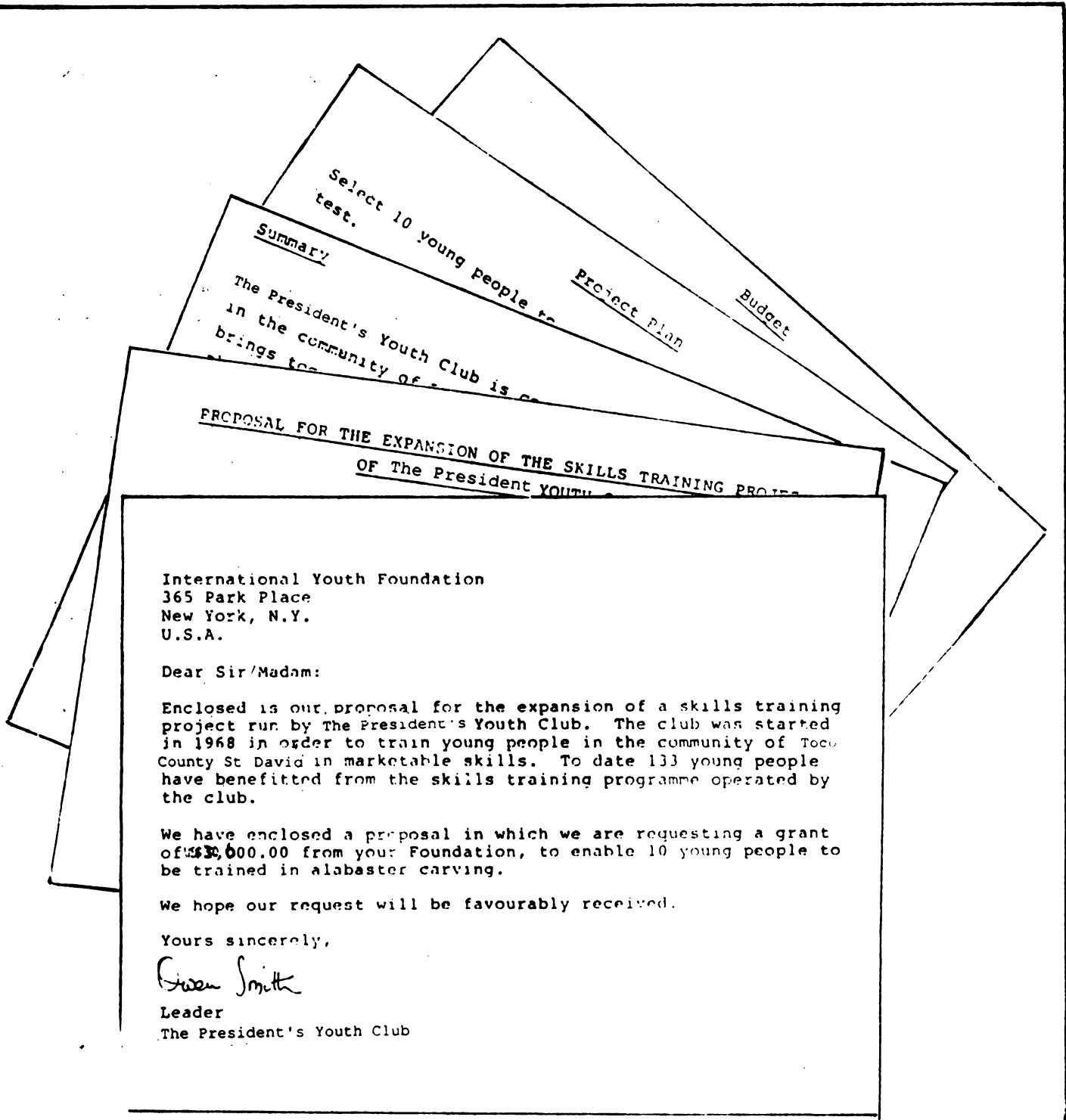
We would appreciate receiving a copy of your recent Annual Report and guidelines for grant application in order to decide whether we would qualify for a grant from the Craft Development Foundation.

Sincerely yours,

---

Joyce Hind,  
Leader, Coblentz Woolspinners.

2. If you are sure that your project falls within the funding agency's priorities, you may wish to send the proposal you have prepared with a cover letter introducing yourself and summarizing your request. That is what The President's Youth Club did as seen in this example.



International Youth Foundation  
365 Park Place  
New York, N.Y.  
U.S.A.

Dear Sir/Madam:

Enclosed is our proposal for the expansion of a skills training project run by The President's Youth Club. The club was started in 1968 in order to train young people in the community of Toco County St David in marketable skills. To date 133 young people have benefitted from the skills training programme operated by the club.

We have enclosed a proposal in which we are requesting a grant of \$3,000.00 from your Foundation, to enable 10 young people to be trained in alabaster carving.

We hope our request will be favourably received.

Yours sincerely,

*Gwen Smith*

Leader  
The President's Youth Club

## **PREPARING THE GRANT PROPOSAL**

**Some agencies will send you a particular format to follow when preparing a proposal for them. However, if you receive no special guidelines, you can use those which follow:**

***Summary*** - briefly explain what your project is about, what you hope to accomplish and how much money you are seeking.

***Introduction*** - give some specific background explaining your project, who is involved and why it is important to have the grant.

***Problem*** - describe the problem or problems which you hope to solve with the project; be specific, giving numbers where possible, such as "many unskilled, unemployed youth in John John must support families of 5 or more."

***Objectives*** - describe where you wish to arrive with your project and be sure you are solving the problem you stated above, such as "to permit 10 John John youths to support their families of 5 or more adequately."

***Project activities*** - describe the activities you will carry out in order to reach your objective and add a timetable. For example, The President's Youth Club prepared the following description of activities:

1. Select 10 young people to join the project based on a skills test—January, 1987.
2. The 10 young people receive and introductory training in pottery—February - April, 1987.
3. A basic business course is given—May, 1987.
4. A basic marketing course is given—June, 1987.
5. Each of the 10 new members works as an apprentice with one experienced member of the project —July - December, 1987.



6. The 10 new members select their best products to show as samples to get order from shops. Once each receives a first order, he is ready to begin working as a full time member of the project—January - March, 1988.

You may have noticed that this section called *project activities* contains the same information as the "steps" you initially prepared when identifying your financial needs and priorities.

*Personnel* - describe the people who will work in the project and what they will be doing.

*Budget* - describe the financial needs of your project, separating these into categories, such as:

#### START-UP EXPENSES

- Raw Materials
- Machinery and Equipment
- Legal Costs
- Employee Training

#### OPERATING COSTS

- Wages
- Benefits
- Rent
- Utilities
- Supplies
- Raw Materials
- Packaging and Labelling

In the following example, we will see how the Mount Pleasant, Tobago Sheep producers proceeded with their fund-raising activities.

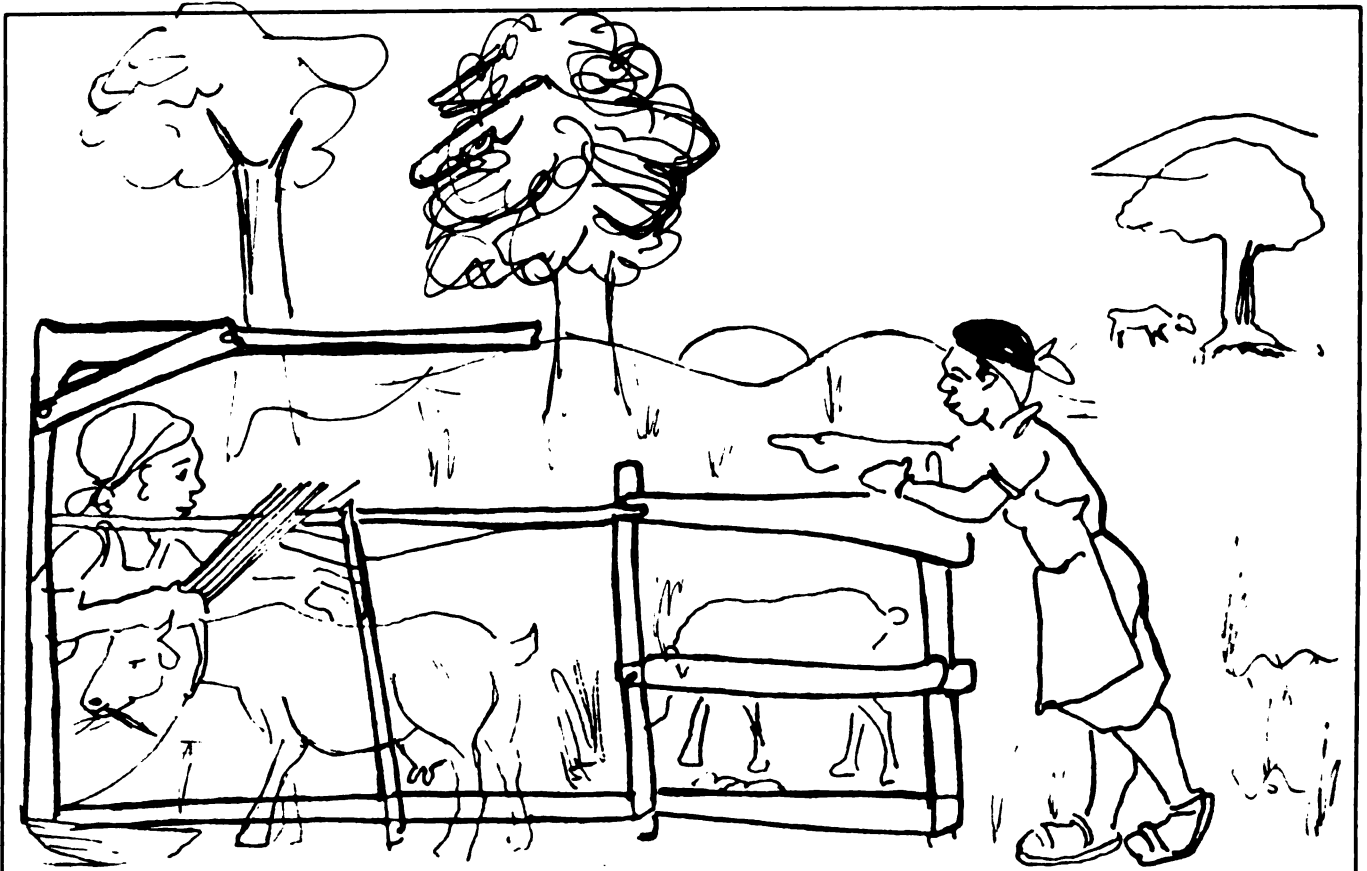
First, they answered the following questions:

- **Why do you want to start or expand the business?**

"Because the poverty in our area is extreme and including more women in the project will mean more food on their families' tables."

- **How many people will be involved?**

"There are presently 12 women involved and 22 waiting to enter the project. But the present project can only accommodate 12 additional women, so funding is needed to permit 10 more women to become involved."



- **If you receive the grant, what are you going to do with it?**

**Step 1:** Hold a co-operative meeting to decide which women will receive the 10 ewes bought with the funds from the grant.

**Step 2:** The grant money will be spent to buy 10 ewes, 1 ram and some fencing for the project.

**Step 3:** Training in care and management of the goats will be held for the 10 new members and any other community members who wish to attend.

**Step 4:** Training in business management will also be conducted on a regular basis (once a week)."

- **How much money do you need from the granting agency?**

"We need TT\$ 6,200.00."

- **What will you do with the grant money?**

"We will provide additional income through livestock production to 10 more women."

**Financial need:** TT\$ 6,200.00

**Priority:** livestock production for income generation

Next, they identified the foundation which was most suited to their *financial need* and *priority*. They selected the Opportunity Foundation. Then they decided to send a proposal outright, with a cover letter which stated their intent. The following pages contain an example of the grant proposal written by this goat-rearing co-operative, using the guidelines previously explained.

## **PROPOSAL TO EXPAND SHEEP-REARING CO-OPERATIVE**

### ***Summary:***

**The Mount Pleasant Sheep Producers is a co-operative organized by the Ministry of Food Production, Marine Exploitation, Forestry and the Environment. The revolving sheep scheme presently permits 12 women to rear sheep for sale and home consumption. The co-operative is requesting TT\$6,200.00 from the Opportunity Foundation to buy 1 ram, 10 ewes and fencing in order to expand the project so that 10 more women can be included.**

### ***Introduction:***

**The Mount Pleasant Sheep Producers is a sheep-rearing co-operative established in 1980 in the county of St. Patrick, Tobago by the Ministry of Food Production Marine Exploitation, Forestry and the Environment. Sheep are distributed through a revolving scheme where each new co-operative member receives a ewe and must return the first female offspring to their project which then gives this ewe to another new member. Twelve women are presently involved in the project and funds are needed so that ten more may join immediately.**

### ***Problem:***

**Twenty-two more women would like to become involved in the sheep-rearing scheme. This, however, is not possible because the existing twelve ewes bear only one kid a year, the first ewe kid being donated to the project to be given to a new member. As 22 women are waiting to enter the project and incomes in this region are extremely low, a grant is needed to bring in as many women as possible during this year.**

### ***Objectives:***

**This project should achieve the following objectives:**

- 1. To provide income to 10 more women through sheep-rearing.**
- 2. To strengthen the Sheep Producers Co-operative.**

### ***Project activities:***

- 1. Hold a co-operative meeting to decide which women will receive the 10 ewes bought with the funds from the grant—March, 1987.**

2. The grant money will be used to buy 10 ewes, 1 ram and some fencing for the project—April, 1987.
3. Training in care and management of the goats will be held for the 10 new members and any other community members who wish to attend—May - September, 1987.
4. Training in business management will also be conducted on a regular basis—March - December, 1987.

*Personnel:*

The individuals who work on the project are the co-operative members as well as technical staff from the Ministry of Food Production. Their functions are listed as follows:

*Co-operative manager:*

Manages the assets and the activities of the co-operative.

*Co-operative members:*

Share the responsibility of production and marketing in the co-operative.

*Ministry of Food Production: technical staff:*

Provide training in production and business management for the co-operative.

*Budget:*

The following budget shows only the amount requested from the Opportunity Foundation, and does not include the labour and costs contributed by each co-operative member.

Materials:	fencing		TT\$ 1,500.00
Livestock:	10 black-belly sheep at	\$ 420.00	4,200.00
	1 ram	at 500.00	500.00
			<hr/>
			TT\$6,200.00
			<hr/>

The following pages contain another example of a proposal. This proposal is a different example of the type of format which can be used. It was prepared by the Coblentz Woolspinners and Weavers.



- I. *Name of Project:*  
Coblentz Woolspinners and Weavers
  
- II. *Project Location:*  
Coblentz Avenue, St. Ann's
  
- III. *Sponsors of Project:*  
Coblentz Woolspinners and Weavers  
Coblentz Community Centre  
Oxfam of America  
Splendid Products Ltd.  
St. Ann's Church
  
- IV. *Purpose for which assistance is sought:*  
To provide weaving and spinning supplies and equipment which will renovate an existing studio, assist in start-up costs and aid in the training and employment for eight weavers.

**V. Items to be financed:**

4 High Castle Jack Type Floor looms	TT\$ 7,000.00
4 harness, 45" weaving width @ \$3,400 each	13,600.00
4-4 harness table looms @ \$1,325	5,300.00
1 Inkle loom @ \$200	200.00
1 Vertical Warping Mill @ \$300	300.00
1 Spool Rack @ \$250	250.00
1 Umbrella Swift @ \$120	120.00
1 Electric Bobbin Winder @ \$345	345.00
1 Ball Winder @ \$60	60.00
8 Boat Shuttles - 11" @ \$50	400.00
2 Wooden Bobbins @ \$30	60.00
8 Belt Shuttles @ \$10	80.00
20 Stick Shuttles	120.00
10 Tapestry Printers @ \$35.00	350.00

(From Schact Spindle Co.)	28,185.00
Shipping 20%	5,637.00

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TT\$ 33,822.00

2 Sara Tapestry Looms @ \$1,000	2,000.00
2 Belt Looms @ \$850	1,700.00
1 Bobbin Winder #11 @ \$170.00	170.00
1 dozen reed hooks @ \$30.00/doz.	30.00

(From Glimakra Looms & Yarns Inc.)	3,900.00
Shipping 20%	780.00

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TT\$ 4,680.00

1 Electric Spinner	1,000.00
10 tubes - Pearly Pearls Cotton @ \$50.00/12 oz.	500.00
8 cones - Mist cotton @ \$40.00/12 oz.	320.00
10 tubes Aurora Earth Cotton @ \$45.00/1 1/2 lb	450.00
30 lbs. Cotton yarn assortment @ 15.00/lb	450.00

(From Cotton Clouds)	2,720.00
Shipping 20%	544.00

	3,264.00
	41,766.00
Import duties 20%	8,234.00

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TOTAL AMOUNT REQUESTED TT\$50,000.00

**VI. Contributions made by Individuals, Agencies, Community:**

1 Industrial Sewing Machine  
4 40" floor looms  
Assorted yarns

Oxfam of America

4 Weaving benches  
Associated yarns & supplies  
Training Class

2 18" floor looms  
1 Warping Mill

Splendid Products Ltd.

2 20" Rigid Heddle looms  
Studio Space

St. Ann's Church  
Coblentz's Community Centre

**VII. Amount Requested:**

**TT\$ 50,000.00**

**VIII. Community Support:**

See VI

**IX. Benefits from Project:**

*To the Project:* A fully equipped weaving studio which will allow the production of woven and fiber goods. The Coblentz's Woolspinner and Weavers currently have a line of hand painted cotton products which include jerseys, shirts, blankets, placemats and belts. The products are sold through Splendid Products Limited at demonstrations in hotels in Port of Spain and directly from the studio in Coblentze Avenue. With the new looms, new products can be designed and crafted due to the versatility and specialty of the new belt and tapestry looms.

At present, monthly sales average \$9,360.00 for 8 young persons. The sum of \$5,230.00 is paid out in wages, \$3,230.00 is paid out for materials and \$900.00 goes to the project. The project uses the money in several ways: travel money for purchasing supplies and delivering products; financial assistance for the young artists when ill (doctors and hospital fees); arrangements are made for



**small loans for persons in financial need and financial support is given to other community projects and activities. With the new looms, the young artists and designers should be able to double their sales, to earn \$400.00 per week and the project should be able to generate more employment.**

***To the Community:* The Coblentz's Group project has been in existence for 8 years. The Community Council and community members strongly support the project. The project does and will continue to give employment to local young persons and support local projects and activities.**

**X. *Future Implications:***

**The Weavers hope to expand their business through employing more persons and creating new woven and fibre items. As weaving is new to Trinidad and Tobago, the craft items made will be a fresh addition to the craft markets and buyers will be readily found. Plans are starting to be made to move into a larger working space and to register as a craft business; to continue along the lines of community development and cohesiveness and create more job opportunities in Coblentz and the neighbouring east Port of Spain area.**

**There is one special government programme that may, in the near future, become very important to the development of small businesses in Trinidad and Tobago; it is the Self Help Programme.**

**THE NATIONAL COMMISSION FOR SELF HELP was appointed in April, 1987 with the following responsibilities:**

- to facilitate the promotion and implementation of self-help projects
- to stimulate the development of community and individual industry, enterprise and co-operative efforts
- to receive proposals and to evaluate and prioritize these proposals
- to assist in the identification of resources needed generally
- to facilitate the sourcing and mobilization of resources
- to monitor the implementation of projects
- to mobilize the assistance of media support

**Some of the foreign sources of financial assistance that have been identified by the Commission are as follows:**

### **1. European Economic Community (EEC)**

**Under Article 201 of the Home Convention, grants are available for micro-projects which must serve the developmental needs of the local communities.**

### **2. Canada**

**Under the Missions Administered Fund, the High Commissioner can assist in financing small scale projects involving the economic, technical, educational or social development of the community: this includes agricultural and community co-operatives. To be eligible for assistance the project must satisfy certain conditions, such as:**

- i) the project must have a significant local or self-help component**
- ii) it must make a worthwhile contribution to the community's economic and social development**
- iii) it must benefit as broad a cross-section of the population as possible**
- iv) it must be financially and economically sound**
- v) the inputs to be used must be identified and well defined.**

**Under this Fund, priority will be given to projects which:**

- i) are run by women organizations or are of direct benefit to women**
- ii) make a significant contribution to the development of human resources or which provides significant opportunities for job creation**
- iii) foster self reliance**
- iv) has the multiplier effect**

**The fund is geared towards the small entrepreneurs and the financial assistance under this programme does not exceed TT\$ 50,000.**

### **3. Royal Netherlands**

Under the small Embassy Projects (KAP) programme, a maximum of TT\$ 25,000 can be given to projects with a large self-help component.

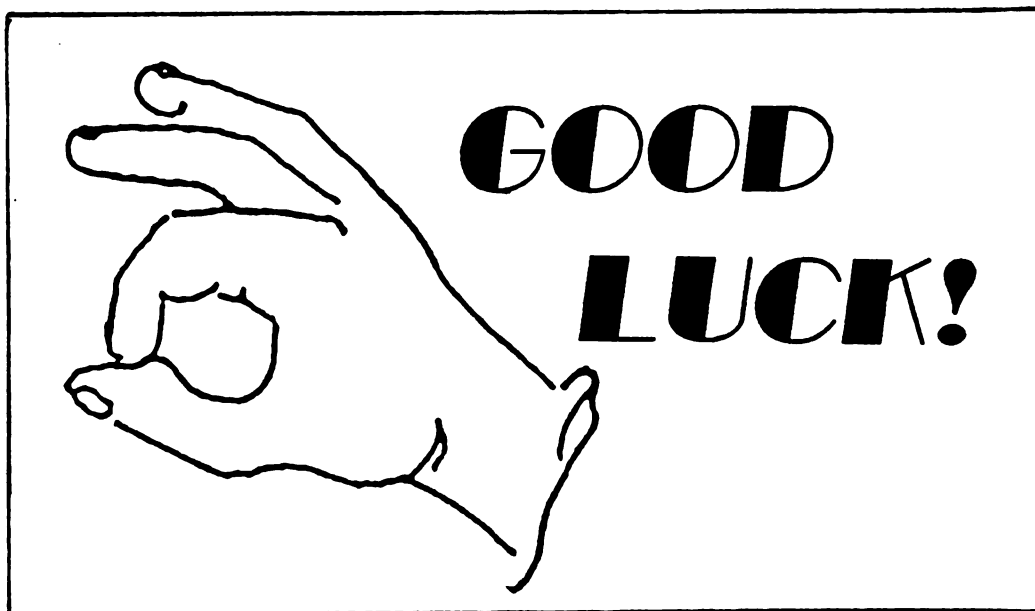
### **4. Inter-American Development Bank (IDB)**

One of the IDB's programmes allows grants to fund non-profit organizations and soft loans to help groups. The soft loans are channelled through other institutions such as the Agricultural Development Bank, and the Association for Caribbean Transformation (ACT).

### **5. Ecumenical Church Loan Foundation**

With the support of the World Council of Churches, the Foundation gives soft loans, (at half of the prevailing rates of interest of the commercial bank) for community projects.

Now you have some ideas on how to approach grant proposal writing. Good luck with your endeavour!



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## Making the Decision

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How do you decide whether to use your savings, or to apply for a grant or a loan? Sometimes a single source of financing can provide all that your business requires, but usually you will need to get your financing from two or more sources. For example, many banks will only make a loan to you if you are also providing some of the financing yourself.

When deciding which source or sources of financing to use, there are some questions you need to ask yourself. Following are some questions for each type of financing you may be considering.

### SAVINGS

1. Do I have savings? What am I saving for?
2. Should I use part or all of my savings for business purposes?
3. If I can get a loan, would I rather keep part or all of my savings for other purposes?
4. Is the interest on my savings account greater than the interest I will have to pay on my loan?
5. Have I considered the possibility that I may need my savings for emergencies or for family obligations such as weddings or funerals?
6. Have I considered that savings could be used as collateral to get a loan?

### GRANTS

Grants are difficult to obtain and are available only to groups. Before applying for a grant you must do a lot of research on the different agencies and ask yourself the following questions:

1. **What types of granting agencies could we go to with our project?**
2. **What are their priorities for funding and does our project qualify for those priorities?**
3. **Does the amount we are seeking fall within the funding range of the agencies?**

## **LOANS**

1. **How much debt do I already have? Is it risky to take on more debt?**
2. **What rate of interest will the bank charge and where can I get the best terms? What will be the terms for repayment?**
3. **Will my business make enough profits to repay the loan and the interest charge? Will there be enough left to reinvest some back into the business?**
4. **How long will it take for my loan application to be processed?**
5. **When will I know whether or not my application is approved?**
6. **Have I considered all the available sources for getting a loan, including commercial banks and special loan programmes?**
7. **Do I understand all the requirements for a loan and am I able and willing to meet them?**

## **MAKING THE DECISION**

**You should now be ready to make the final decision on the type or the combination of financing which is best for you. You should have looked very closely at the types of financing available and whether you qualify.**

### **REMEMBER:**

- **Choosing to use your savings or a loan is choosing to use money for which there will be some cost to you either individually or as a group.**
- **Alternatively, choosing to use a grant will give you access to money other than your own which you will not have to repay.**
- **You must always seek the financing which suits your needs best.**

- **Is there anything else that you must take into consideration? List these.**

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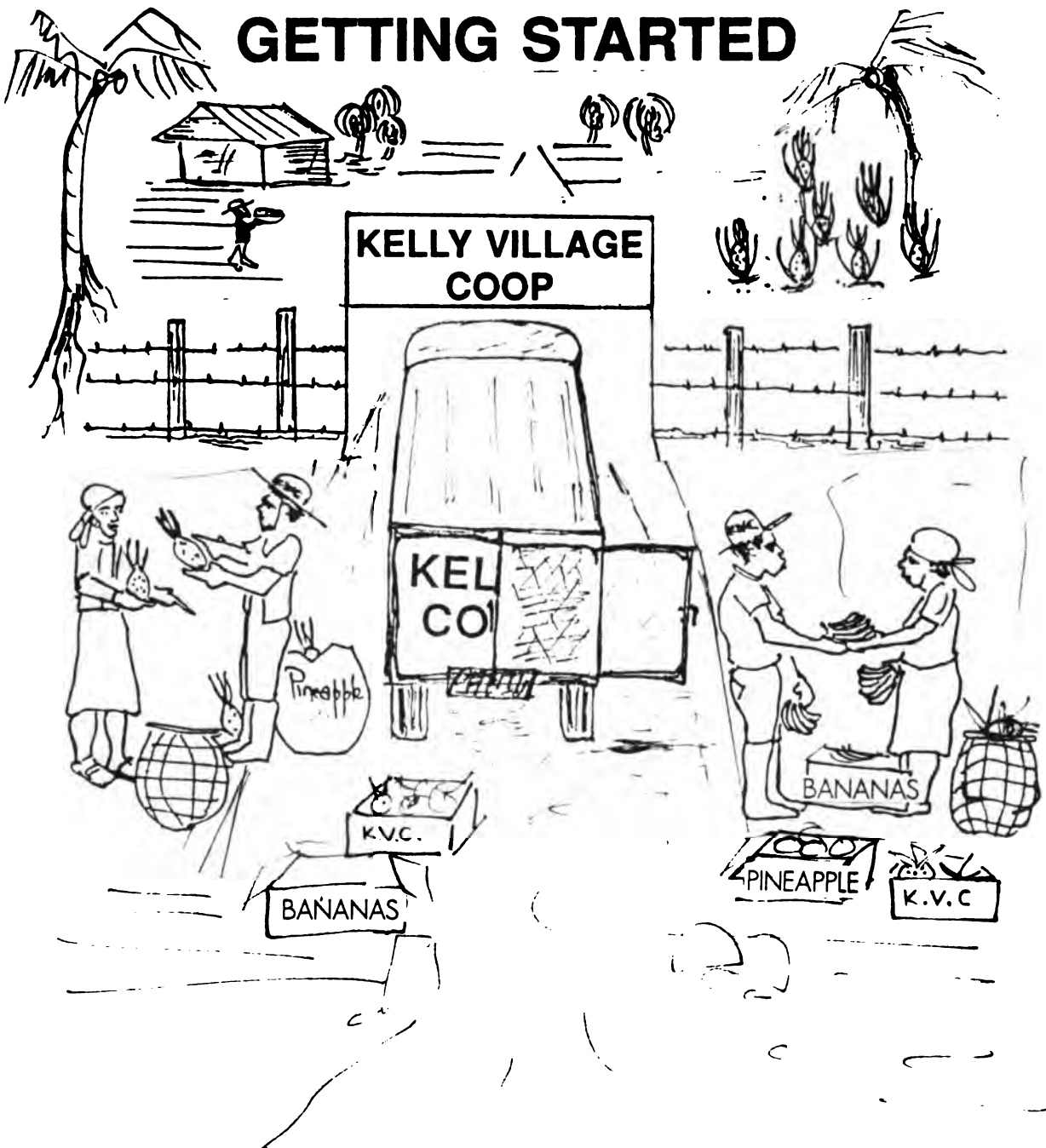
**What is your decision?**

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# PART 3: SETTING UP YOUR SMALL BUSINESS

## GETTING STARTED







## 8.

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# Selecting the Legal Structure

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Generally, there are four ways you can structure your business. These are as:

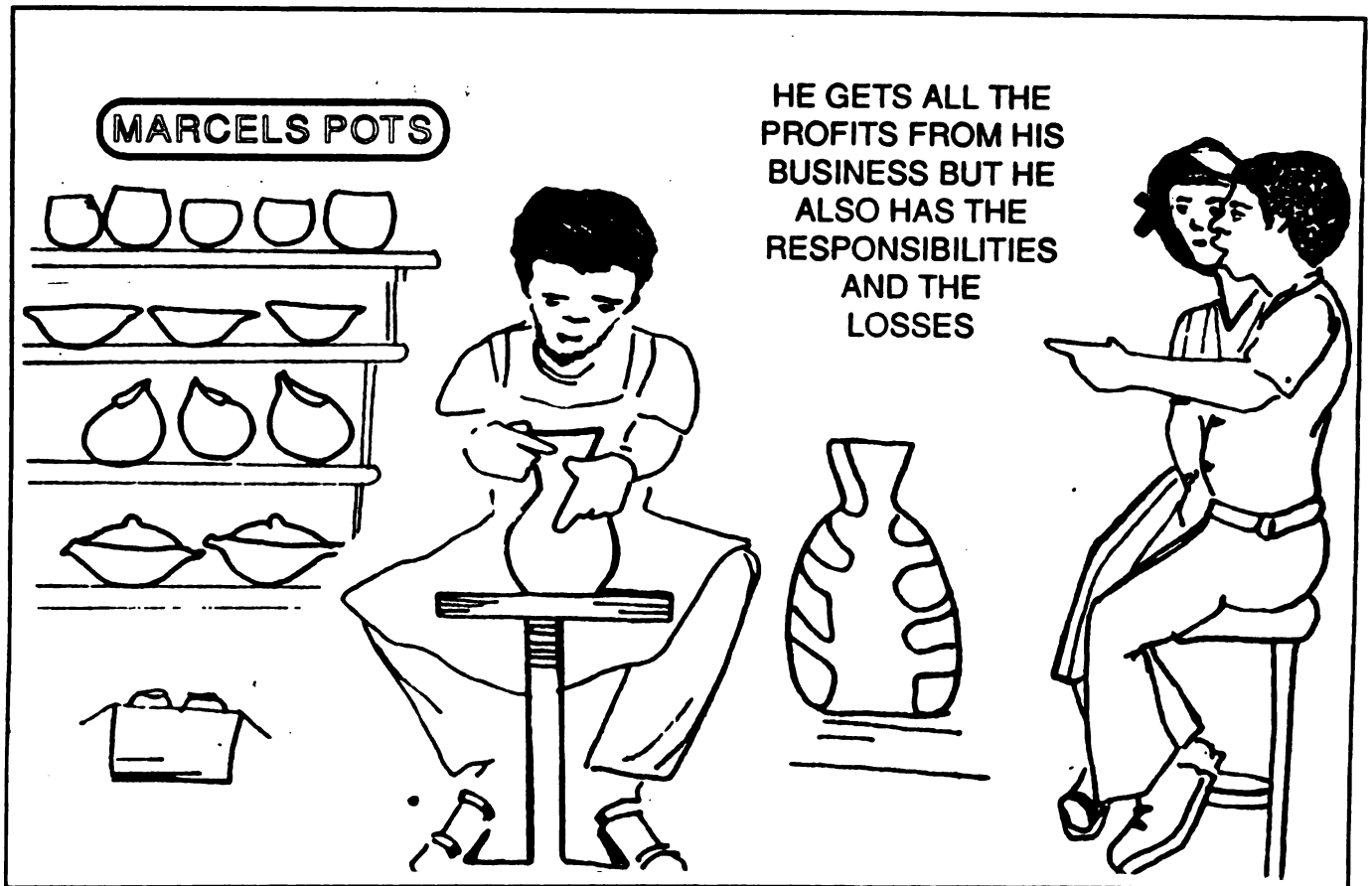
- a) a Sole proprietor
- b) a Partnership
- c) a Company
- d) a Co-operative

### THE SOLE PROPRIETOR (or individually-owned business)

This type of business structure is one which is owned by one person, although family members or hired workers may also be involved. It is the most popular among *small* businesses. In most cases the support of the family is crucial. The proprietor is also called a sole trader.

Some characteristics of individually-owned businesses are:

1. The owner has personal responsibility for *all aspects* of managing the business. This means that he or she has to see to the proper running of the business—making all the important decisions which are necessary for the business to keep going.
2. The owner provides or borrows money to start the business and is solely responsible for any debts which the business contracts, including taxes. This is a big responsibility, for if the business does not succeed, the owner may have to sell all of his or her personal possessions in order to pay off the debts of the business.
3. The owner gets the net profits, that is, the money which is left over after all bills are paid.



4. Little legal help is needed to start this kind of business. The owner must, however, abide by government laws and regulations which deal with the operations of the particular kind of business owned by the sole trader.

For example, a sole trader who operates a restaurant must have a Health Badge/Certificate, issued by the Ministry of Health. To qualify for this permit, the person must undergo certain medical tests to prove that he or she does not have diseases which are catching and is fit to handle food.

Similarly, many other traders such as restaurateurs, rumshop owners or others who sell alcohol, are required to get licences before they can set up their business. All businesses must file with the Board of Inland of Revenue.

**Now what do you think are the advantages and disadvantages of setting up a business as a sole trader?**

<b>Advantages</b>	<b>Disadvantages</b>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

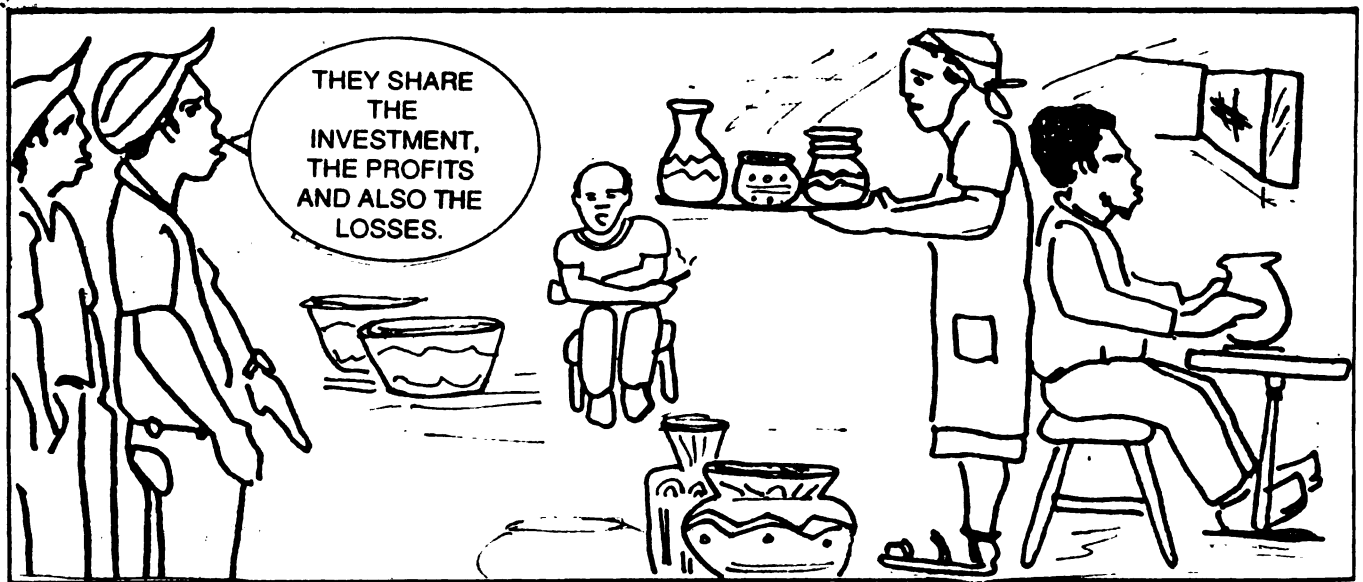
### **THE PARTNERSHIP**

**A partnership is an agreement or contract between two or more persons (up to twenty) to own a business together. The owners are called "partners" and their contract is usually prepared by a lawyer. The partners themselves decide what details are included in the contract. It states how much capital and labour each partner must provide. It tells how profits or losses are to be divided.**

**Here are some other characteristics of a partnership firm.**

- 1. In a partnership, all the partners are held personally responsible for all debts of the business and if one partner cannot fulfill his obligations, then the other partner or partners will have to bear the losses.**
- 2. A partnership can have any name chosen by the partners, as long as it does not too closely resemble the name of any other business. The business should however be registered with the Registrar General, which requires that certain information about the business be submitted, such as:**
  - 1) The name of the business**
  - 2) The type of business**
  - 3) Where the business is located**
  - 4) The name, nationality, address and other occupation (if any) of each partner**
  - 5) The date the business started.**

3. Partners may share the management of the business or they may agree for one partner to serve as the manager or to employ someone to be the manager. Major decisions about how the business should be run are made by the partners, usually by majority votes.
4. Net profits are used in the way partners decide. They may be used to expand the business or be divided among the partners.
5. When a partner leaves, the partnership comes to an end. A new agreement can then be made by the remaining partners and any new partners entering the partnership.



What do you see as the Advantages and disadvantages of setting up business as a partnership?

Advantages

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Disadvantages

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## **THE COMPANY**

**Any seven or more persons can form a public company and any two or more can form a private company. A company may be registered as a limited liability company or as an unlimited liability company. The difference between these two types is in the degree of liability, that is, the degree of responsibility for the debts of the business which the owners assume.**

**Owners of a limited liability company (the shareholders) have a limited liability for the company's debts; that is, the owners cannot be held responsible for the debts of the business, beyond the amount which they had agreed to contribute towards the capital of the business.**

**Owners of an unlimited liability company however, can be held personally responsible for all debts contracted by the business. Because of this, companies are normally set up as limited liability companies. The remainder of our discussion on companies will therefore deal with limited liability companies.**

**The characteristics of companies are:**

- 1. The money to run the business (capital) is usually obtained by selling shares or by borrowing. The company is responsible for its debts. If the business fails, each shareholder can lose only the amount paid for the shares, but the company can lose its property or assets.**
- 2. Business decisions are made by a board of directors who are elected by the shareholders. If shareholders wish, they can change the directors who serve on the board at an election held at an annual meeting. Each shareholder has as many votes in these elections as the number of shares he or she owns. Those who own the largest number of shares in the business, control the company.**
- 3. Net profits are either divided among the shareholders according to the amount of shares owned, or used to expand the business. The board of directors decides how the profits will be used.**

4. **Companies, unlike partnerships, are separate legal bodies which are not affected when any of the owners leave the business, or die. When a shareholder dies, his or her shares go to heirs who may keep them or sell them. A company as a legal body can make transactions, sue and be sued in a court of law.**
5. **Before a new company can be registered, two important documents must be prepared and submitted to the Registrar General along with the required fees. These documents are:**

- a) **Memorandum of Association**

**This document forms the constitution of the company and contains certain information about the business such as: the name of the company, its location, the type of business it will engage in, the amount of capital and the number of shares into which the capital will be divided.**

**The memorandum of association must be signed by each of the shareholders.**

- b) **The Articles of Association**

**This document contains rules for the running of the company. It names the directors and outlines the rights of the owners and the powers and duties of the directors.**

**When the Registrar General has approved these two documents, a "certificate of incorporation" will be issued which entitles the company to begin operations.**

**If you are thinking of setting up a company, you are advised to consult with an attorney-at-law who will assist you with the preparation of these documents and advise you of the legal obligations of the company you plan to set up. Guidelines for the drafting of these documents are contained in the Companies Ordinance Chapter 31, No.1.**

**What are some advantages and disadvantages of setting up a business as a limited liability company**

**Advantages**

**Disadvantages**

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## **THE CO-OPERATIVE**

**A Co-operative is a business formed, owned and controlled by a group of people who use it and who have equal say in its operations. It is operated in accordance with the following general principles:**

### **1. Open Membership**

**Membership of a Co-operative is open to all who can benefit from it and members of the public above 16 years of age can join for a small fee. However, in certain types of Co-operatives, there is a restriction in the principle of open membership. For example, if a group of people form a Co-operative to produce goods together, only those people with skills who can help with production should be members.**



## **2. Democratic Control**

A Co-operative is owned by the members; it must be run for the benefit of the members. All members are equal. The Co-operative is governed by a general meeting which all members have the right to attend and at which each member has one vote and one vote only; not as in a company where those who own the largest number of shares own the company. The general meeting will normally elect a committee to supervise the work of the Co-operative. Each member has the right to be nominated for election to the committee and each has one vote in the election.

## **3. Limited Interest on Share Capital**

Every Co-operative needs some equipment to run its business. For example, many co-ops need a building and some need a pick up. The money used to buy such things is called CAPITAL. It may be possible to borrow some capital, but much of it must come from the members. So every member is required to contribute at least a minimum amount of money to the capital of the Co-operative. This money is called SHARE CAPITAL and it remains the property of the member who paid it, although it is used by the Co-operative.

The Co-operative pays members for the use of share capital. For example, each year, members receive a small portion of the total of their share capital. This amount is called INTEREST or DIVIDEND.

Even if the Co-operative makes a very big profit, the rate of interest must not rise above a level which is fixed by the members and judged to be fair and reasonable when compared with the rates paid, for example, on money deposited in a savings account at a bank. Because the rate of interest cannot rise above this level, it is said to be limited.

The main purpose of the Co-operative is to give the best possible service to its members; it is not to pay unlimited interest on share capital from the profits.



#### **4. Distribution of profits**

**In a Co-operative business, any profits made belongs to the members and should be used or distributed in such a way as to prevent one member gaining at the expense of others. For this reason, the profits are not distributed entirely on the basis of share capital, as occurs in a company, but in such a way as to be fair to all.**

**There are three main ways of distributing a Co-operative's profits.**

- (a) by using or saving all or part of the profits to develop the business of the Co-operative**
- (b) by providing services for members, such as education.**
- (c) by distributing profits to members in proportion to the trade each member has done with the Co-operative. This is sometimes called a BONUS. For example, if Winsome has bought twice as much as Barry from the Co-operative this year, her bonus should be twice as big as his.**

#### **5. Promotion of Education**

**Promoting education in Co-operatives is important for two main reasons:**

- (a) Members must support their Co-operative and use their vote wisely to control it. They therefore need to understand the principles upon which the Co-operative is based and how it works. So education for members is necessary.**
- (b) The Co-operative is a business serving the economic interest of its members. To do this it has to be run efficiently. So education for committee members and staff is necessary.**

**What would you say are some of the advantages and disadvantages of setting up a Co-operative business?**

**Advantages**

**Disadvantages**

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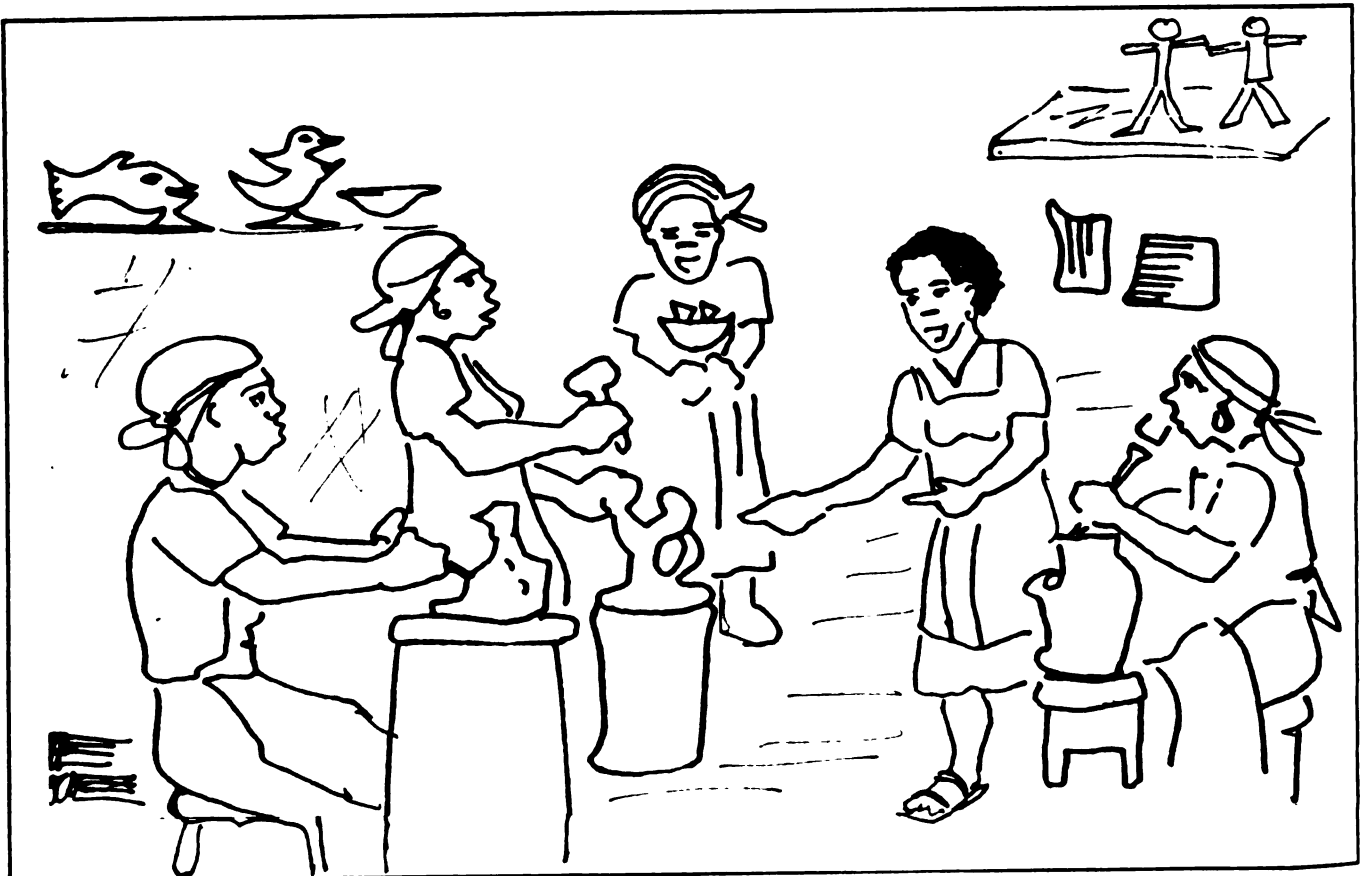
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Now think about these four ways of structuring your business. Which one will you choose?

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## 9.

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# Marketing and Production Decisions

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After deciding on a product, completing the Feasibility Study, deciding on the appropriate source of financing, the type of legal structure the business will have and studying the physical aspects concerned with your business, you should be ready to plan for the marketing of your product and how you will organize your production.

## MARKETING PLANS

**Customers:** Decide who your customers will be, and determine what they want with respect to your product. You should consider:

### 1. Wholesale customers

These are customers who will buy goods from you and then sell them to retailers. For example, the Craft Shop Limited is a wholesale customer because they buy baskets and embroidered items from craft producers and then sell those goods to small retail shops all over the island.

### 2. Retail customers

These are customers who will buy goods from you and then sell them directly to the consumer. For example, the One Stop Grocery Shop is a retail customer to General Cash 'N Carry where they purchase the goods they sell to consumers.

### 3. Local customers

These are customers located in areas near to you who purchase your goods. These customers may be wholesale or retail customers, or the actual consumer.

#### 4. Tourists

These are customers visiting your area for a definite period of time. Sales to these customers may be very seasonal.

**Product:** Use the information from your Feasibility Study to define your product according to what is most wanted by the customers you plan to sell to. For example, if you are a basket-weaver, you must decide:

- What types of baskets you will produce
- What size baskets you will make
- What colour baskets they will be
- What material(s) you will use to make the baskets

**Pricing:** Remember to price your product correctly; low enough to sell, but high enough to make a profit. You may also want to sell at different (lower) prices for volume sales. This way, you can sell to wholesalers and retailers interested in purchasing and reselling quantities of your product. For example, Beverly is a basket-weaver who has the following price structure for her picnic baskets:

Price to local people or tourists	\$ 55.00
Price to Splendid Products (quantities of 5)	40.00

Splendid Products will then sell the baskets at \$55.00 and all prices to tourists will be the same.

In the feasibility study exercise you learned how to decide what to produce. Now you need to look carefully at how you will produce it. This can often make the difference between making a profit and going broke.

**HOW** your product or service is produced—the production process, has certain features which are common, whether you will be making an item, offering a service or farming. You have to decide:

- (1) What inputs are required.
- (2) What steps or actions you will use to change the inputs to outputs.
- (3) What special skills, tools, equipment or machinery will be used.
- (4) Within what time period the work will be done.
- (5) What number of units will be produced.
- (6) What standards are to be set for maintaining quality.

The way you convert the inputs to outputs will affect the costs you have to bear in your business. It also affects quality. It can also make your work easier or harder.

Since converting inputs to outputs is a major concern of your business activities, success in business depends on your ability to do this as efficiently as possible, at the lowest cost possible while maintaining good quality standards. You can see then, organizing your production is a *must*.

Here are some suggestions for organizing your production:

- a. Make a step-by-step list of how you will make and market your product, from getting the raw materials or other inputs, to selling the product to the buyer.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_
6. \_\_\_\_\_
7. \_\_\_\_\_
8. \_\_\_\_\_
9. \_\_\_\_\_
10. \_\_\_\_\_
11. \_\_\_\_\_
12. \_\_\_\_\_
13. \_\_\_\_\_
14. \_\_\_\_\_
15. \_\_\_\_\_

b. How much will you produce and in what period of time?

I will produce (quantity) \_\_\_\_\_

in (time period) \_\_\_\_\_

c. You must consider the needs of each step in your production process for the following:

- MATERIALS (raw materials, supplies, seed, etc.)
- LABOUR
- SPACE
- TOOLS and EQUIPMENT
- UTILITIES (gas, water, fuel, electricity)
- MONEY

Here are some questions you should consider.

**Materials** (raw materials, supplies, seed):

How much is needed for production? \_\_\_\_\_

How much is available? \_\_\_\_\_

Will additional be needed? \_\_\_\_\_

Where will it come from? \_\_\_\_\_

Can you get the kind you need? \_\_\_\_\_

Can you get the quality you need? \_\_\_\_\_

Will the supply be regular? \_\_\_\_\_

**Labour**

What kinds of skills are needed? \_\_\_\_\_

Are people with these skills available? \_\_\_\_\_

How many people are needed for production? \_\_\_\_\_

Are they needed all at the same time? \_\_\_\_\_

Have you decided *who* will do *what* in the production process?  
\_\_\_\_\_

**You should decide on the following areas of responsibilities:**

1. **Who will manage (plan, keep records, coordinate, control):**

\_\_\_\_\_

2. **Who will purchase raw materials and supplies:**

\_\_\_\_\_

3. **Who will produce:**

\_\_\_\_\_

4. **Who will control quality:**

\_\_\_\_\_

**(This should be yourself or someone who can make sure all items are up to the standard you set).**

5. **Who will market:**

\_\_\_\_\_

### **Space**

**Is the required space available for production activities?** \_\_\_\_\_  
**(Don't forget about space for equipment)**

**Is the required space available for storage?** \_\_\_\_\_

**Is the required space available for packaging?** \_\_\_\_\_

**What changes, if any, can be made in order to make better use of the available space?**

\_\_\_\_\_

### **Tools and Equipment**

**Do you have those needed for production?** \_\_\_\_\_

**Are these available locally?** \_\_\_\_\_

**Are spare parts available?** \_\_\_\_\_

**Do you need to learn or train other people to use the tools and equipment?**

\_\_\_\_\_

## Utilities (gas, water, electricity)

Are the utilities needed readily available?

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Will it be necessary to rewire for 220 volt current?

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## Money

How much is needed for buying materials?	\$	_____	.	_____
How much is needed to pay wages?	\$	_____	.	_____
How much is needed for rental of space?	\$	_____	.	_____
How much is needed for buying and servicing tools and equipment?	\$	_____	.	_____
How much is needed to pay for utilities?	\$	_____	.	_____
How much for transporting materials and finished goods?	\$	_____	.	_____
What is the total amount needed?	\$	_____	.	_____
How much is available?	\$	_____	.	_____
Will additional money be needed?				

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Where will it come from?

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## NOTES ON QUALITY CONTROL

You should plan to:

1. Keep a sample of the best quality and perfect size of each item and use it to compare with future items to maintain consistent good quality and size.
2. Of major importance is the quality of raw materials you start with. If these are poor, the end product will be poor.
3. Decide on other points during the production process where quality must be examined.

Let us look at an example of how a partnership organized for production.



William Ballentine knows about leathercraft and he has decided that he wants to start his own business. He thinks he can make a good living by making leather bags and belts and his brother Junior wants to work with him in the business. They decide to plan for starting their own business: The Ballentine Brothers' Leather Business. After studying the manual on *Starting and Financing a Small Business*. They sit down to prepare a production plan.

They think about starting with a line of leather belts and list the following steps in their production process:

1. Purchase tanned leather, buckles and tools.
2. Cut the leather into the desired pieces.
3. Plan a design for each belt and put the design on the leather part.
4. Assemble the leather and buckle parts.
5. Punch holes into the leather so that the belt will fit several sizes.
6. Deliver belts to shops.
7. Collect payment.

They ask themselves the questions about materials, labour, space, tools, equipment, utilities and money for each step of their production. On a chart they put an 'X' where problems may exist.

### PRODUCTION CHART

Production Steps	Factors to Consider						
	Materials	Labour	Space	Tools	Equipment	Utilities	Money
1. Purchase materials			X				
2. Cut leather							
3. Design							X
4. Assemble							
5. Punch Holes							
6. Deliver		X					
7. Collect							



After reviewing each of their production steps and considering requirements for materials, labour, space, tools, equipment, utilities and money for each, they were satisfied that they had planned their business properly. They also realized that they would have three problems that were not anticipated:

1. They had no space to store the leather, once it was purchased.
2. The tools to put the design into the leather would cost twice as much as planned.
3. They had not planned for anyone to make deliveries.

Study the chart they make and discuss the problem areas. What solutions would you suggest to William and Junior Ballentine?

The exercises which follow will give more hints on how to organize production for farmers and retailers. If you are a farmer you should read Part I. If you buy goods for resale you should read Part II.

## **PART I**

### **ORGANIZING YOUR PRODUCTION IN FARMING**

If you are planning to farm, there are additional factors to consider when thinking about organizing production.

Before considering markets, farmers must think about what they *can* produce on their particular farm. To determine this, they have to consider the type of soil present, the amount of rainfall and whether the land is flat, sloping or on a steep hillside. For example, annual cultivated crops should *not* be considered on steep hillside farms, except where the land is terraced. A farmer would not consider rearing livestock in an area where water is in irregular supply when he can grow a crop like onions instead.

From among the crops which can be produced, or animals which can be reared, a farmer must choose those which will give good profits and which have available markets. In addition, there are other factors farmers must consider. Let's look at two important ones, risk, and seasonal work patterns.

#### **1. Risk**

Frequently, those farm crops which give the highest average returns over a number of years, are also the most risky. Over 3 or 4 years, they may make a profit (sometimes quite large) in only one year, while in the other years they lose money. If the entire farm is planted to a crop like tomatoes, 2 or 3 years of low prices may ruin the business before a good year comes along. With such crops, it is usually wisest to produce them in small quantities, along with other crops which give more stable returns.

#### **2. Seasonal Work Pattern**

Many crops which give high returns require a great deal of work during certain very definite periods of the year, and little or no work during the rest of the year.

For example, one acre of a very intensive crop may need the full-time work of 10 persons in March and again in September, but little work for the rest of the year. Thus, if a farm has only two persons available to work it, they can only take care of 1/5 of an acre of this crop. If they have a 1 1/2 acre farm, the rest of the farm would be idle. The two persons on the farm might also be idle most of the time except in March and September.

If extra labour cannot be hired when needed, it is usually better to produce a *small* acreage of such crops in combination with other crops which will provide work the other ten months of the year.

### **How much to Produce**

We have already touched on this question indirectly in the section under *What to Produce*. For any given farm the more acreage you use for one crop, the less acreage you have available for other crops. Let's talk about how you can decide how much of each crop to produce:

#### *Main Crop*

1. Determine which of the crops your farm can produce, will give the best income per acre and per person, *without too much risk*.
2. Determine how much of this crop you can handle with other people (family or hired help) assisting.

#### *Complementary Crop*

3. Determine what periods of the year you will have idle land and time, not required for this crop.
4. Select one or more *complementary* crops whose work requirements fall mainly in these slack work periods of the main crop. They should be the most profitable of those you choose from, even though they are high risk.
5. Produce as much of them as your *available* land and time permit, but without competing for the time that must be given to your main crop.

6. Note: If you plan to produce most of the food your family consumes, the land and time required for this must be taken into account.

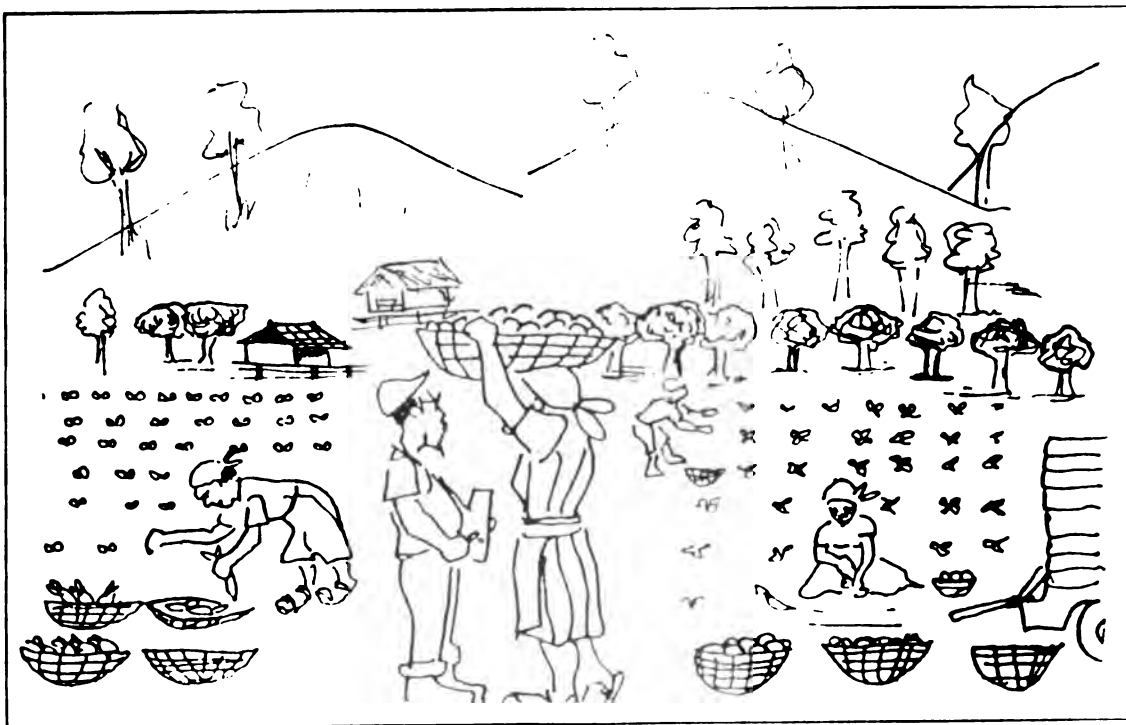
## How to produce

It is important that the way you produce results in good quality products. The price paid for inferior quality farm products is much lower, and often unprofitable. Within this overall framework of getting quality products, there are several aspects of how you produce which should be considered jointly.

### 1. Inputs (Seed or breed stock; fertilizer or feed; insecticides; fungicides, etc.)

The *volume* and *quality* you produce will often depend on the inputs you use. Better quality and higher production usually require more expenses for inputs.

Before choosing a system of production needing certain inputs, make sure they will be available when you need them. Also, the added cost of inputs is sometimes greater than the extra income you would earn by producing more. You should therefore carefully examine the costs and returns of alternative ways of producing and choose the most profitable way—not necessarily the most productive.



For example, let us say farmers can sell their ginger at \$2.20/kg. Using a lot of fertilizer and an extra weeding, it costs a farmer \$14,500.00 to produce 9,600 kg. of ginger; but using less fertilizer and only one weeding, it costs him \$9,200.00 to produce 8,000 kg.

The higher yield costs him  $\frac{14,500}{9,600} = 1.51/\text{kg}$

The lesser yield costs him  $\frac{9,200}{8,000} = 1.15/\text{kg}$

With a selling price of 2.20/kg you can see that it is more profitable for him to produce at the lower yield.

## **2. Risk**

Often, the way of producing which gives higher income involves higher risks. For example, planting a crop such as tomatoes earlier than usual may get it to market when prices are higher, but may involve greater risk of losing the crop if there aren't enough early rains. With livestock, planting feed for them is expensive but in a dry season it may be even more expensive to have to buy the feed or see the animals go hungry, lose weight or die.

## **3. Financing required**

Many systems of production which give high returns are more expensive. Do not select one of these systems, unless you can be sure you will have the required money available. Also, remember that borrowed money usually has a cost (interest payments) and this needs to be considered in deciding how profitable the higher cost system of producing will be.

## **4. Use of Machinery**

Different ways of producing (production systems) require different amounts of machinery use: some, a great deal; others, very little.

In deciding on your production system, and the amount of machinery use it needs, ask yourself these questions:

- a) Will the machinery make it possible for me to produce more?
- b) How much will use of machinery increase my cash costs? My investment?
- c) How does machinery cost compare with doing the same job by hand?
- d) Will I still be busy all year, or will the use of machinery cause me to have a lot of idle time?
- e) (*Most important!*) Will it increase my *net* income (profit) after all costs?

Using tractors or other machinery usually gets farm work done much faster. However, it also has an added cost, in the investment, plus depreciation, repairs and operating costs (gas, oil, etc). In addition, buying machinery commits you to its use for several years. Be sure it is justified before buying.

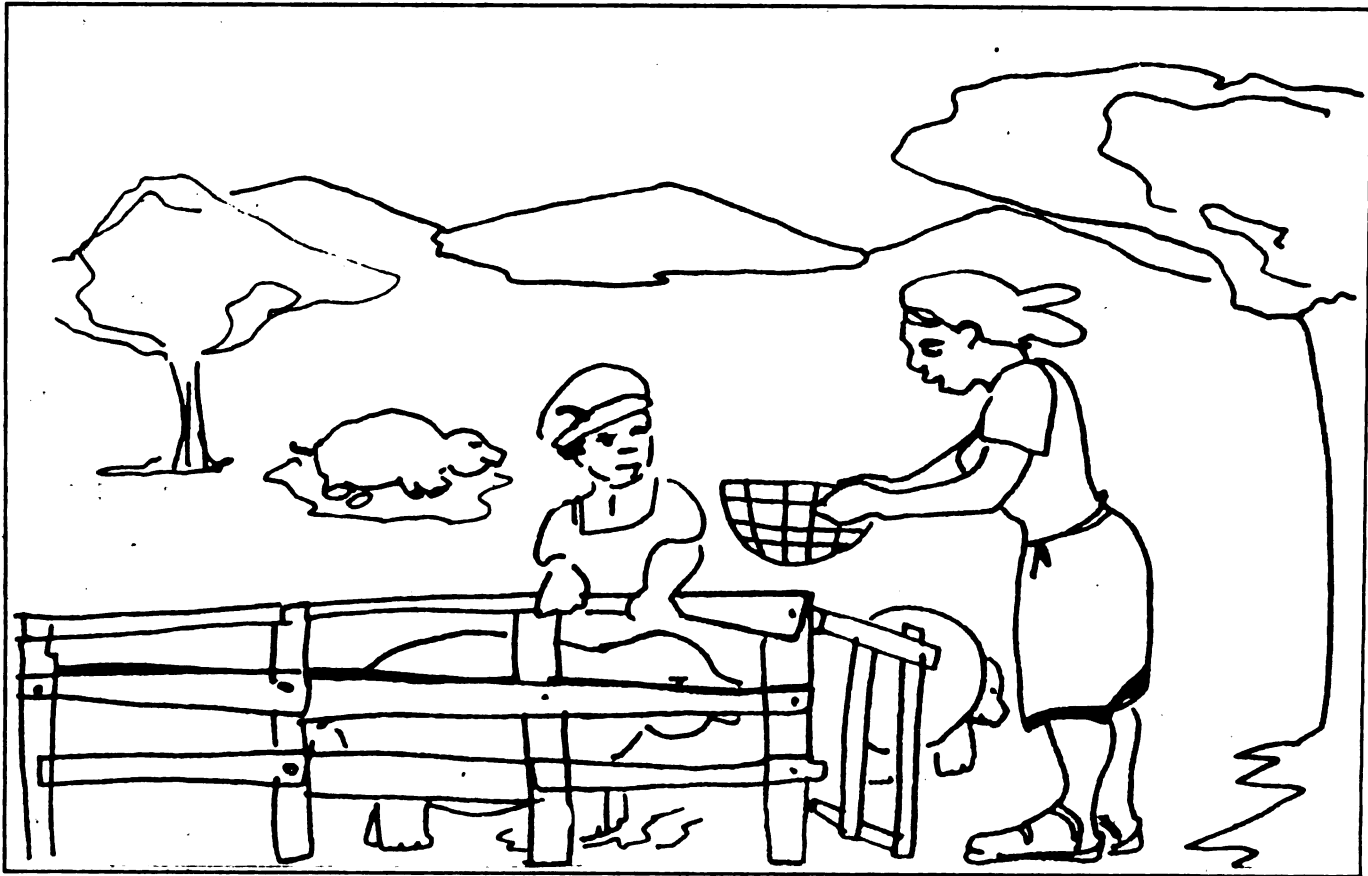
## LIVESTOCK

If you have livestock, there are three particular aspects that should be carefully considered in organizing your production: Animal Health, Feed, and Breeding.

### 1. Animal Health

For livestock in general, but in the tropics in particular, animal health is critical to running a successful business. You can have major losses in your business if your animals get sick. Be sure you know all the diseases and infections (internal parasites, for example) which your type of livestock can get. List them, together with the measures required for prevention and cure. (Generally, prevention is more profitable than cure).

In organizing your production, make sure you are prepared to take the necessary action at the most timely moments. This includes having medicines or treatments at the right time, and the money to pay for them.



## 2. Feed

Animals are "living factories". They convert raw materials (feed) into saleable products (meat, eggs, milk, etc.). If they do not receive enough of the right type of feed (raw materials), they will be unable to produce profitable quantities of livestock product, of good quality.

In organizing your production, make sure that you are prepared to provide the quantity and quality of feeds required by your livestock for high production *throughout the year*.

For example, if your livestock (sheep, goats, cows), eat pasture be sure you will have enough for the dry periods. If in doubt, think about getting more pasture, or growing, cutting and storing some hay as insurance against dry spells.

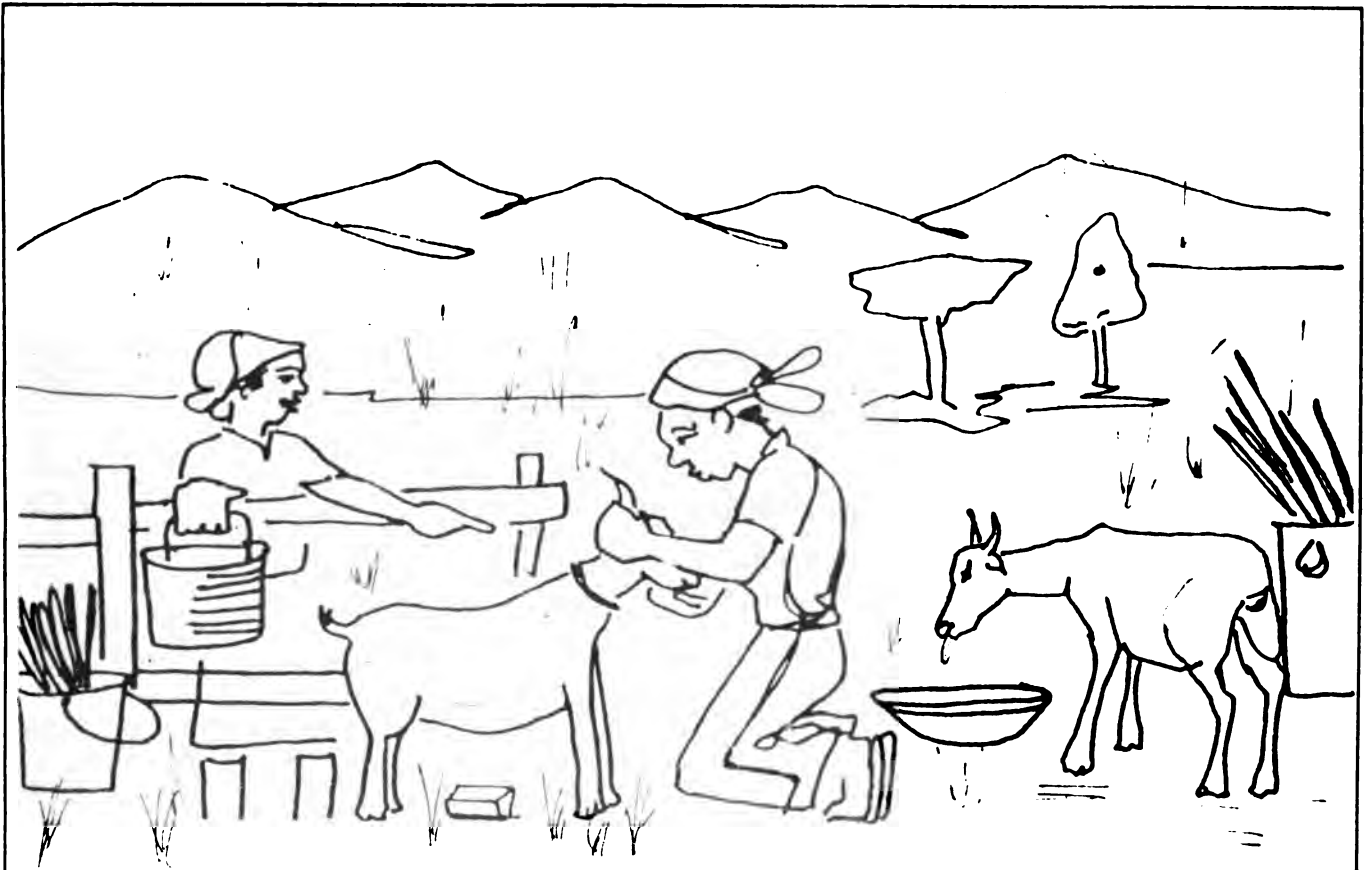


### 3. Breeding

- (a) If you are raising your own livestock, good breeding management is important to making profits.

A ewe that doesn't get pregnant on time is an "idle factory". Worse, she is costing money and labour while being idle. A ram that doesn't get the ewes pregnant is even worse, because his "idleness" may result in many ewes being "idle".

In organizing your production, make sure that you will be able to keep track of the fertility of your animals. Whenever you find an animal that is infertile, get rid of it at once. It is costing you money. (This assumes, of course, that you are keeping your animal well fed and free from disease and parasites. Diseases, parasites and not enough feed may cause infertility. Improving health and feed may bring back fertility).



- (b) It is generally more profitable to breed your female to "superior" male (purebreds or half breds from high-producing families). The off-spring will usually be larger, grow faster, make you more money. This may require extra work in your production making sure the females are guarded against impregnation by a "scrub" male and having timely access to a superior male if you don't own one. It is more work, but it generally pays well. Provide for it in the organization of your production.

## **PART II**

### **ORGANIZING YOUR PRODUCTION - BUYING AND SELLING (RETAILING)**

If you plan to buy goods for resale, your main concern in organizing your business should be attracting and keeping as many customers as possible so that you sell as much of your goods and you can. These questions take on different meanings:

- What to produce?
- How to produce?
- How much to produce?

The question of *What to produce?* becomes:

*What kinds of goods to purchase for resale?*

You should consider some of the possibilities listed below:

- What types of products shall I sell?
- How many different products should I offer for sale?
- Should I sell a mix of both high and low quality items?
- Should I sell related products, or quite different products?



The question of *How to produce?* becomes: *How to sell your products?*

Marketing is *so* important that an entire manual is devoted to it, however, there are a few points to consider:

- The location of your store is very important. A convenient location helps to attract new customers and keep old ones.
- Do as much as you can to promote the products you sell, eg. run sales, advertise.
- Give your customers prompt service.
- Be sure that your customers are treated by *you and your employees* in a pleasant and courteous manner!
- Pay attention to the layout of your stocks, so there is easy selection by your customers.

- Keep your products neatly arranged, clean and plainly priced.
- Keep your place of business as tidy and as well lit as possible.

The question of *How much to produce?* becomes:

*How many of each item should I have in stock?*

You should try as much as possible to have on hand the goods your customers want in sufficient quantities to satisfy demand. In order to do this you should have a system of stock control, which will give you important information about the goods you sell:

What products you have on hand.

What products you need to order.

What products are fast movers.

What products are slow movers.

There are other things you should consider as well:

1. How long the product will remain saleable:
  - will it spoil quickly, like fresh fruit, vegetables, dairy products or meat?
  - will it lose its usefulness, after a certain time, like batteries?
  - will it lose its appeal after a certain time (like some kinds of clothing) and fetch a low price or become difficult to sell?
2. How quickly the product can be obtained from your supplier. You must have enough of each items in stock to satisfy customers' demand between delivery dates.

# 10.

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## Physical Organization of Your Business

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In selecting a business to buy or rent, there are various physical aspects which should be studied carefully. Answering the following questions should help you decide how suitable or limited the physical aspects of the business are:

### I. External

Some of these are not on the property itself, but can affect profitability.

- Is the business on, or does it have access to an all-weather road, or is it sometimes cut off (by washouts in the rainy season, for example)?

---

If your type of business requires regular deliveries of supplies to you, and/or regular marketing of your products, ready access can be very important.

- How far is the business:  
from your market or delivery point? \_\_\_\_\_  
from the source of your supplies? \_\_\_\_\_  
from the services and service people your business may require?

---

Remember that distance costs money and time. Delays at a critical moment like harvest or period of peak demand can be very expensive.

Think about utilities:

- Does the property have the necessary water supply (quantity, quality, reliability)? \_\_\_\_\_
- Does it have a reliable electricity supply? \_\_\_\_\_

- Does it have a telephone? \_\_\_\_\_
- Are there any restrictions on the use of the land in this location (zoning)?  
\_\_\_\_\_

## II. Internal

Some questions should be asked about the business itself, particularly about land.

### a) *Land for farming*

- Is the soil texture, drainage and slope good for the crop(s) you wish to grow?  
\_\_\_\_\_
- How are the fields located with respect to the buildings? Convenient, or at quite a distance?  
\_\_\_\_\_

Are they easy to reach? \_\_\_\_\_

- Is there all-round access from all your fields to a road?  
\_\_\_\_\_
- If there are one or more streams crossing the farm, can they be forded easily in the rainy season?  
\_\_\_\_\_

Is there a bridge?  
\_\_\_\_\_

- If you need fences, does the farm have them?  
\_\_\_\_\_
- Are they in good condition? \_\_\_\_\_

- Is there sufficient rainfall for what you wish to grow?

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Every year, most years, sometimes, seldom?

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- Are there heavy rains that may flood your fields?

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What about strong wind storms? \_\_\_\_\_

b) *Land for other businesses*

- Does it have enough space for parking or for loading and unloading goods and supplies? \_\_\_\_\_

- If you wish to expand in the future, is there enough space?

---

Is there available adjacent land? \_\_\_\_\_

c) *Buildings*

- Are the foundations solid? \_\_\_\_\_

- Is the structure in good condition? \_\_\_\_\_

- What about the walls? doors? windows? \_\_\_\_\_

- Are the roofs water-tight and fairly new? \_\_\_\_\_

- Is there sufficient space for your business activities? \_\_\_\_\_

- Is there space for storage? \_\_\_\_\_

- Are the areas in the buildings conveniently arranged for your work?

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d) *Equipment*

- Does the business have all the equipment you will need to operate?

\_\_\_\_\_

What will you need to buy in addition? \_\_\_\_\_

\_\_\_\_\_

- What is the age and condition of the equipment?

\_\_\_\_\_

- If there are breakdowns, can you repair the equipment?

\_\_\_\_\_

- Are replacement parts readily available? \_\_\_\_\_

## RETAIL BUSINESSES

When making plans for the physical organization of a retail business, the overall concern should be to make sales as high as possible within the limits of your budget.

### 1. Location. The selection of the site:

The location that is best for one type of business may not be the best for another. Consider the following examples:

- *Grocery stores* should be located where they can easily be reached from as many areas as possible.
- *Ice Cream Stores* should be located where many people walk, for example, in shopping plazas, near bus stops or at busy intersections.
- *Fruit Vendors* can be located on a wide spot near to the road, where a car can stop safely out of traffic, or near a curve or corner that would cause the



traffic to slow down, and allow the occupants of cars to see the merchandise being offered for sale.

- *Newspaper boys* can be at a stoplight.

If you can't get an easily noticed location, it will be necessary to do some advertising to overcome this advantage.

For example, a new shop has just opened close to the Eastern Main Road, so the owners installed a big banner across the Main Road to direct customers to the shop. What requirements will YOUR retail business have for its site location?

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## II. The physical structure

- roadside vendors who serve people in their cars need to protect themselves and their merchandise from the sun and rain. They also need a place to display their goods.
- The other extreme would be the quiet elegance of a jewellery store where jewellery is displayed and the surroundings seem to add to the quality and the value of the goods.
- Whatever the structure, you need to give consideration to:
  - a) Protection from the elements for people, goods and equipment.
  - b) Security for the people and the goods.
  - c) Cleanliness and attractiveness.
  - e) Space enough to store and display your goods.

What type of structure would be best for YOUR business?

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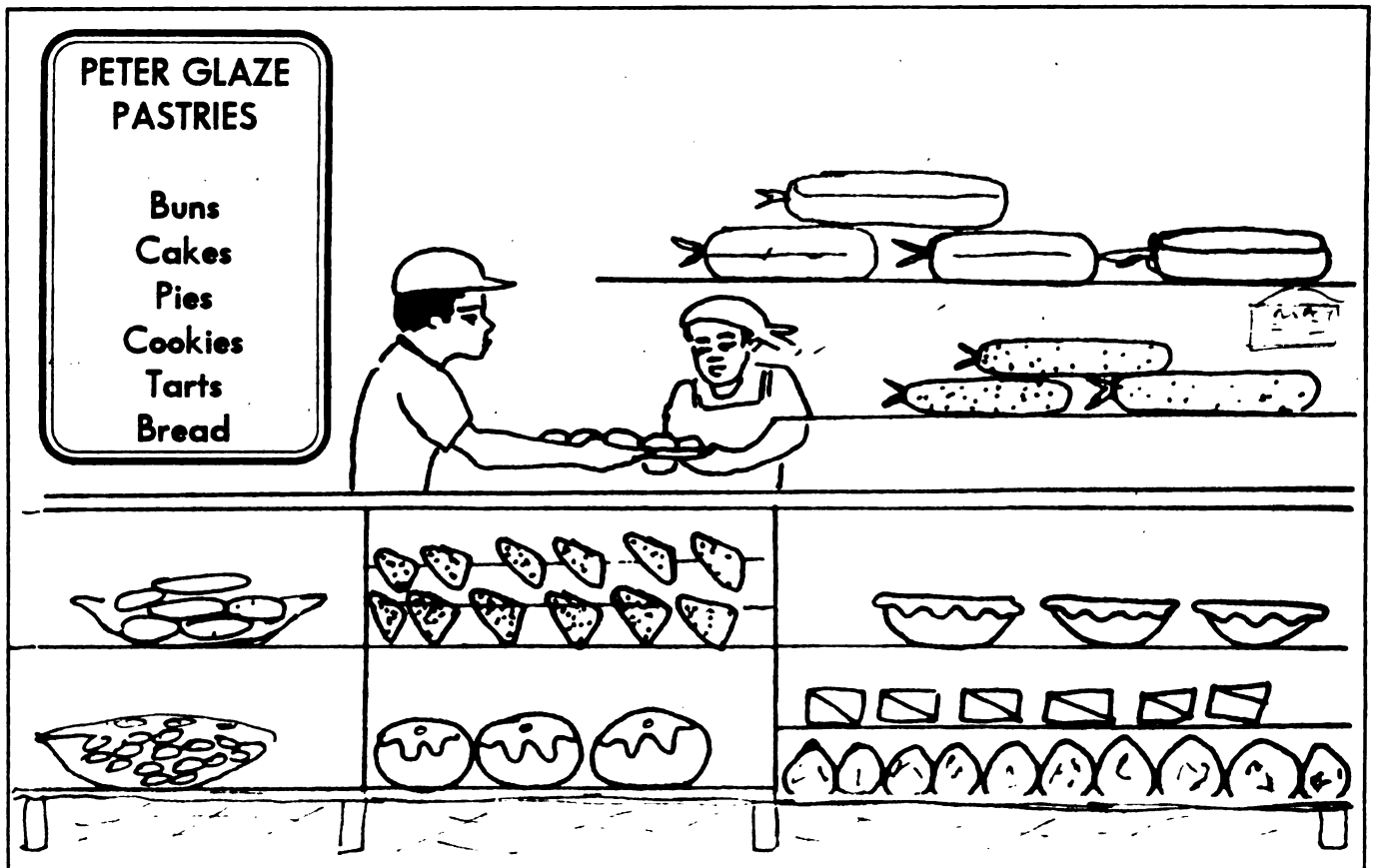
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### III. Display of goods

The purpose of displaying goods is to sell as much as possible. To accomplish this, attention should be given to the following:

- Making the goods attractive to the customer by appearance, odor and feel.  
For example,
  - Tools should feel sturdy
  - Clothing should look and feel comfortable
  - Food should look and smell appetizing



- Showing that there are enough goods to satisfy customers' needs. An example would be the type of mass display of goods you see in a supermarket or grocery store. The message it sends to the consumer is that with this much stock, there must be a heavy demand for it. If that many people want to buy it, it must be the best available.
- Putting a fair price on your goods.
- Making it easy for customers to take home the goods they have bought. For example:
  - hiring boys for packing and carrying the goods.
  - offering a delivery service for goods which are difficult to carry.
  - provide convenient packaging so that customers can carry their purchases themselves.
  - packaging goods well, so they keep in good condition until they are ready to be used.
  - labelling goods to show that they are of good quality and easy to care for.



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## Setting Up Records

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Records are useful because they allow you to write down information which will be helpful in planning or making important decisions about your business. Many people feel that they can carry around a great deal of information in their heads, but as a business person, in order to operate your business efficient and profitably, you need to record certain types of information. These will be necessary for making production, marketing and financial decisions about your business.

For the small business person, records can be kept in a simple and inexpensive manner and still provide the information which is needed to make decisions. In order to determine what records should be kept however, you will first have to decide what information will be needed and for what purposes it will be required.

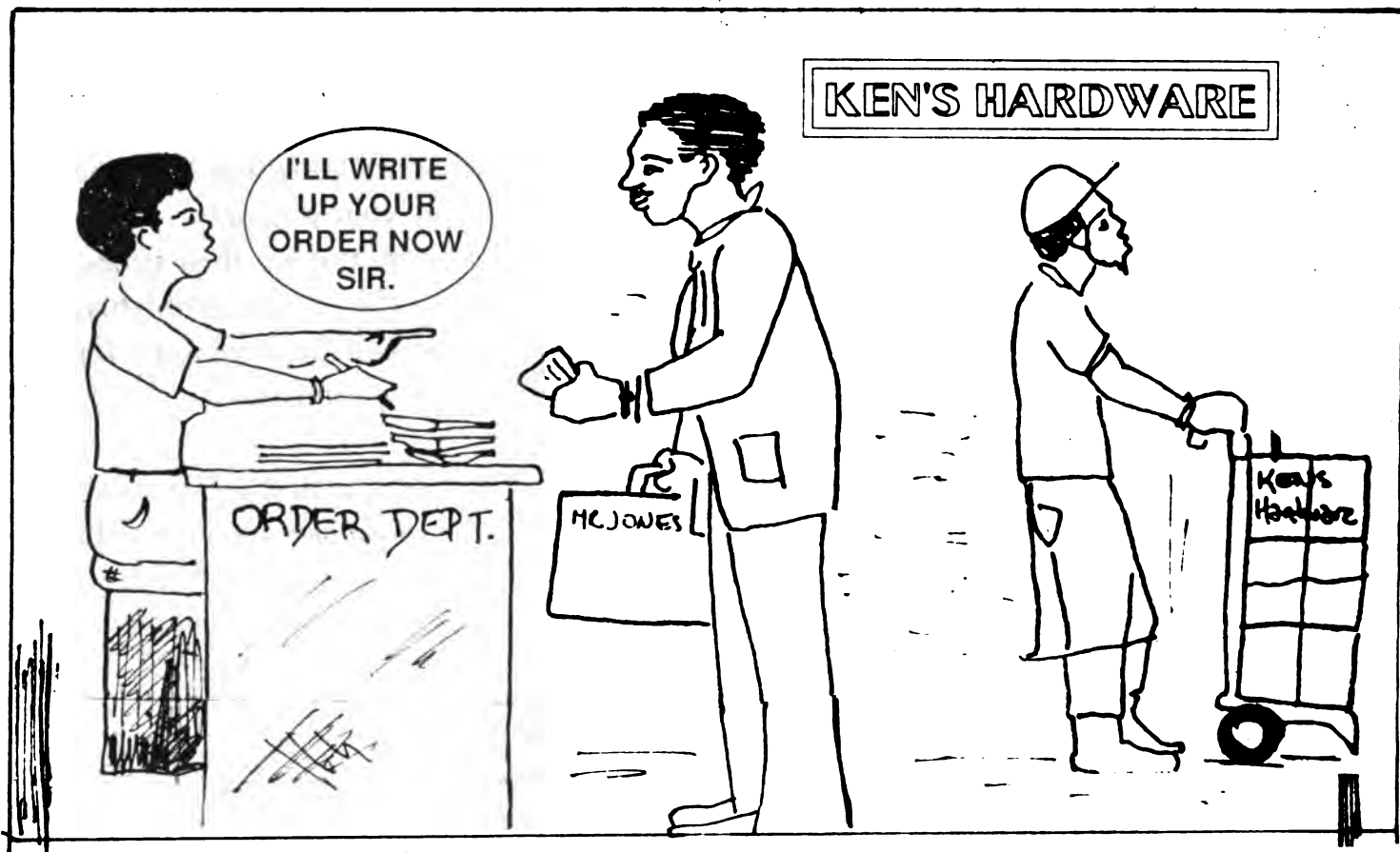
Generally, the purposes for which records are used are:

- 1) Meeting your obligations
- 2) Controlling
- 3) Analysing the performance of your business
- 4) Planning

In this exercise, we will introduce you to the various records which will allow you to carry out the functions of meeting obligations, controlling, analyzing and planning. You should also refer to the manual *Operating a Small Business in Jamaica (or Operating a Small Business in Barbados)* for instructions on how they are prepared.

### 1. MEETING YOUR OBLIGATIONS

If you plan to take orders for goods from your customers, that is, to sell goods which will be available to customers at some future time, you need to use an *Order Book*.



An *Order Book* is used so that both the buyer and the seller will have a record of agreements they make. An order should contain as much information as possible so that there will be no disagreements between the buyer and the seller when delivery of the product is made. This will help the business have *satisfied customers*. Satisfied customers will come back and buy from the business again and will tell their friends about the business.

When you visit your customers to market your product, always take your Order Book with you.

Following is a sample of a page from an Order Book.

# ORDER

Nº 02

July 24<sup>th</sup> 1988

FROM: John Douglas 18 Princess Town  
 TO: Mac Donald's Enterprises, Chaguanas

PLEASE SUPPLY THE FOLLOWING: by July 29<sup>th</sup> 1988

Quantity	Description
	Goat 1/2 ds (average 20 lbs)
	at \$50.00 ea
	\$50.00
10	Suckling Pigs, average 20 lbs
	at \$40.00 ea
	\$400.00
	Total \$450.00
	Terms 10 days cash
	\$450.00 due on
	August 7, 1988

## 2. CONTROLLING

### a) Controlling your cash

Almost any business needs to control the cash that comes into and goes out of the business. This control can come from the use of the basic receipt book. If business persons faithfully give receipts each time they receive money and get receipts (or makes proper notes) every time they spend money, they have the basic information needed to keep cash books. The cash book can vary from a simple record of receipts and expenses with closing and opening balances, to very complete summaries of receipts and expenses. These summaries make it much easier to get totals of what money was spent for or where it came from. The totals can be for daily, weekly, monthly or yearly receipts or expenses.

Let us look more closely at these two basic records, the Receipt Book and the Cash Book.

#### *The Receipt Book*

Following is a sample receipt, completed in handwriting in the places where you would write:

No	126	August 7 1986
RECEIVED FROM	John Douglas	
the sum of	Three Thousand, nine hundred	
	Dollars	Cents
	20 goats kids and 10 suckling pigs	
\$3,900	:00	Per J.H. Macdonald
		MAC DONALD ENTERPRISES



Below you can see another type of receipt. This one allows you to record a part-payment showing amount due before and after the payment. You can also show whether the payment was made with cash, cheque or money order.

# 420

DATE 24/7, 86

RECEIVED FROM Barrington Jarvis \$ 210 00

Two Hundred and Ten - DOLLARS

FOR Payment on work tables and chairs

Thank You

AMOUNT OF ACCOUNT	600 00	<input type="checkbox"/> CASH	
THIS PAYMENT	210 00	<input type="checkbox"/> CHEQUE	
BALANCE DUE	390 00	<input type="checkbox"/> M.O.	BY <u>J. Smith</u>

### *The Cash Book*

The Cash Book is a record of cash transactions made by a business. It should be written up at the end of each day, after all buying and selling is over, or as often with several columns. A cash book has ruled pages with several columns.

For each day's record-keeping, both sides of the book must be used. Money collected (CASH IN or Receipts) is recorded on the left hand side and money spent (CASH OUT or Payments) on the right hand side. (See Figure 1)

**FIGURE 1****CASH BOOK**

Date	Qty.	Details	Unit Rate	\$	c.	\$	c.	Bank	Notes
16.4.86		Opening balance				80.	00		
	50	lbs. yams	1.60	80.	00				Receipt #027
		Partner draw		300.	00	380.	00		
		Total cash available				460.	00		
						460.	00		
17.4.86		Opening balance				61.	40		
	75	kg. tomatoes	7.00	525.	00	525.	00		Receipt #028
		Total cash available				586.	40		
18.4.86		Opening balance				586.	40		
	100	kg. yams	.80	80.	00				Receipt #029
	1	goat kid		200.	00	280.	00		Receipt #030
		Total cash available				866.	40		
						866.	40		
19.4.86		Opening balance				591.	40		
	100	kg. yams	.80	80.	00				Receipt #031
	110	kg. cabbage	4.00	440.	00				Receipt #032
	25	kg. tomatoes	7.00	175.	00	695.	00		Receipt #033
		Total cash available				1286.	40		

Date	Qty.	Details	Unit Rate	\$	c.	\$	c.	Bank	Notes
16.4.86		Part payment spray can		220.	00				
	1	tin lettuce seeds		43.	60				Receipt #027
	1	kg Dithane		35.	00				
		Transportation		100.	00				
		Total cash out				398.	60		
		Closing balance				61.	40		
						460.	00		
18.4.86	5	kg. bags; fungicide	35.00	175.	00				#80765
		Transportation		100.	00				
		Total cash out				275.	00		
		Closing balance				591.	40		
						866.	40		
19.4.86		Wages - self, Palmes		500.	00				
		Partner hand		50.	00				
		Lease - hand		500.	00				Receipt #00521
		Transportation		100.	00				
		Total cash out				1150.	00		
		Closing balance				136.	40		
						1286.	40		

## *The Expense Record*

This is a simple way of summarizing all the expenses or payments in your business, according to the type of payment, so that at the end of the month or quarter or year, you can easily find out how much was spent on a particular item of expenditure, say rental or wages. The expense record can be used along with the cash book, or on its own. If you use a cash book to record daily sales and expenses, the expense record can be prepared at the end of the week, month, quarter or year. If you do not plan to use a cash book, the expense record can be used to record payments as they are made.

Figure 2 shows you a simple format which can be used to summarize your expenses.

**FIGURE 2**

Date	Details	Total	Supplies	Wages (Doreen)
		\$ c.	\$ c.	\$ c.
May 1	Thread, zippers			
	Bus fares	24.00	15.00	
4	Wages	515.00		265.00
11	Wages	515.00		265.00
14	Thread, hooks, bus fares	29.00	20.00	
18	Wages	515.00		265.00
24	T & TEC	140.00		
25	Wages	515.00		265.00
31	Mr. Chambers	780.00		
	<b>TOTAL \$</b>	<b>3033.00</b>	<b>35.00</b>	<b>1060.00</b>

You will notice that there are several "money" columns, the first one being used for the "Total". You can have as many money columns as you need to fit in the expenses you are likely to have in your business.

Here is a list of some expenses you could have:

- |                              |                                  |
|------------------------------|----------------------------------|
| 1. Raw materials or supplies | 7. Utilities                     |
| 2. Packaging and labelling   | 8. Fuel                          |
| 3. Wages (for self)          | 9. Rental                        |
| 4. Wages (for others)        | 10. Insurance                    |
| 5. Transportation            | 11. Machine, tools and equipment |
| 6. Rental                    | 12. Repairs and maintenance      |

Wages (Staff)	Transport	Rental	Utilities
\$ c.	\$ c.	\$ c.	\$ c.
	9.00		
250.00			
250.00			
	9.00		
250.00			
			140.00
250.00			
		780.00	
1000.00	18.00	780.00	140.00

## The Sales Record

The Sales Record lists the sales you make on a daily, weekly or monthly basis. If you sell different kinds of products, this record will be especially useful, as it will allow you to see how much is received from each type of item you sell and to compare this with the receipts from other types of items and with the total receipts for a particular period. You can also record the quantity and unit price of each type of item sold.

Figure 3 shows you a simple format you can use to summarize the receipts from the sale of your goods.

**FIGURE 3:**

Time Period	Total Receipt		Cigarettes (pks of 20)				Soft Drinks (ea.)			
			Quan.	Unit Price	Value		Quan.	Unit Price	Value	
	\$	c.			\$	c.			\$	c.
Jan.	2,516.	40	480	4.00	1,920.	00	432	1.20	518.	40
Feb.	2,356.	40	428	4.00	1,712.	00	480	1.20	576.	00
Mar.	2,519.	60	446	4.00	1,784.	00	552	1.20	662.	40
Apr.	2,574.	00	458	4.00	1,832.	00	480	1.20	576.	00
May	2,811.	30	453	4.00	1,812.	00	384	1.20	460.	80
Jun.	2,744.	50	414	4.00	1,656.	00	456	1.20	547.	20
Jul.	2,805.	70	437	4.00	1,748.	00	408	1.20	489.	60
Aug.	2,996.	40	460	4.00	1,840.	00	504	1.20	604.	80
Sept.	2,829.	70	451	4.00	1,804.	00	388	1.20	465.	60
Oct.	3,254.	50	396	5.50	2,178.	00	428	1.20	513.	60
Nov.	3,332.	90	390	5.50	2,145.	00	531	1.20	637.	20
Dec.	2897.	30	303	5.50	1,667.	50	568	1.20	681.	60
<b>Total</b>	<b>33,506.</b>	<b>70</b>	<b>5,116</b>		<b>22,098.</b>	<b>50</b>	<b>5,611</b>		<b>6,733.</b>	<b>20</b>

Recording the daily, weekly, monthly and yearly sales gives *any business* an invaluable source of information. Sales record can:

- tell you what items sell most quickly in what areas, at what time of year and to what groups of people;
- tell you when and where to promote your product most effectively;
- help you to decide what, if any, changes need to be made in your product or services;
- help you to decide what items and how many of them to keep in stock;
- tell you whether your business is growing or not.

Sweets (ea.)				Rock Buns (ea.)				Ripe Bananas			
Quan.	Unit Price	Value		Quan.	Unit Price	Value		Quan.	Unit Price	Value	
		\$	c.			\$	c.			\$	c.
780	.10	78.	00								
684	.10	68.	40								
732	.10	73.	20								
660	.10	66.	00								
675	.10	67.	50	689	.60	413.	40	192	.30	57.	60
709	.10	70.	90	640	.60	384.	00	288	.30	86.	40
761	.10	76.	10	700	.60	420.	00	240	.30	72.	00
698	.10	69.	80	663	.60	397.	80	180	.30	54.	00
717	.10	71.	70	658	.60	394.	80	312	.30	93.	60
688	.10	68.	80	672	.60	403.	20	303	.30	90.	90
653	.10	65.	30	661	.60	396.	60	296	.30	88.	80
686	.10	68.	60	659	.60	395.	40	274	.30	82.	20
8,443		844.	30	5,342		3,205.	20	2,085		625.	50

If your business is going to make credit sales and/or credit purchases, you need to record these transactions so that you know who owes money to you and to whom you owe money.

### *Credit Sales*

When a customer buys from you and does not pay cash, you should make out an order, with the following information clearly written on it:

- the customer's name and address,
- the names and the items purchased, the selling price and the total value of the sale,
- the date and the signature of the customer,
- the terms of the transaction including the date or dates payments will be due,
- the date the items should be delivered

If the customer makes a part-payment, it should be noted on the order and a receipt should be issued to the customer for the amount. This amount should be entered into the cash book as a sale.

When the customer makes a final payment, the order should be marked "paid in full" and, at the same time, a receipt should be issued for the amount of the final payment. This should then be entered in the cash book as a sale.

### *Credit Purchases*

When you purchase goods or supplies for your business on credit, you should prepare a Purchase Order. The order should contain the following information:

- the date of the purchase and the purchase order number,
- a description of the items to be purchased,
- the name of the supplier,
- the unit price and the total price,
- the terms of credit and other conditions,
- the delivery date.



When payments are made, you should ask for a receipt. The amount of the receipt should then be recorded in the cash book, in the "cash out" section. When final payment is made, the order should be marked "paid in full".

## b) Controlling Your Stocks

If you plan to make a product for sale, your stocks will include raw materials, goods-in-process and finished goods. If you will be a retailer, your stocks will be the items you buy for resale. If you are going to be a farmer, your stocks will include seeds, feed and inputs such as fertilizers, insecticides, etc.

If your business plans to have stocks, you will have to invest money in them. When business has *too much* stocks, there is a chance that it is tying up money which could be put to better use. The business might also have problems with storage, and may also run the risk of losing the stocks because of theft, damage or out-datedness. However, if a business has too few stocks, production may be hampered or valuable sales may be lost.

If you plan to be a manufacturer, you want to be sure that you will always have enough raw material on hand, in the right quantities, to make your products. You will also need to know how many finished items you will have on hand at any time so you will be able to fill orders when they are secured. If you will be a retailer, you will want to have enough goods on hand for your customers to buy from you, but at the same time, you won't want to have many of those items which may not sell quickly.

Whether you will be a manufacturer or a retailer you will need to be able to CONTROL your stock

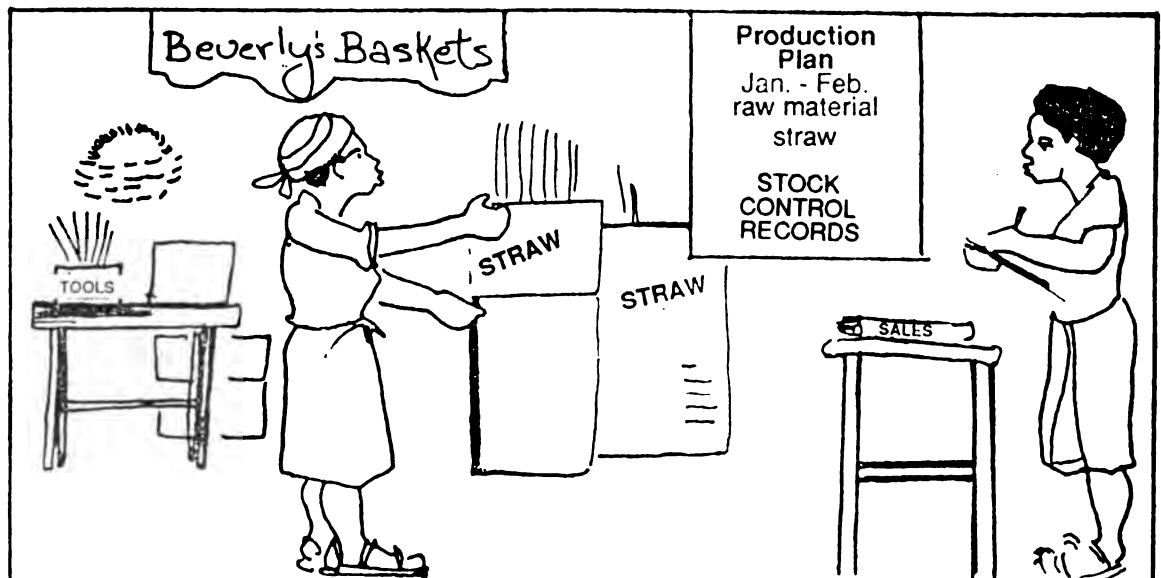
- to decide *which* materials you must have on hand at all times
- to make sure that you will always have on hand *enough* of the items that you need to carry on your business, but not *too much* that excess cash is tied up in the stocks. (This is true whether they are raw materials, finished goods or items you have bought for resale)
- to know how much to order at a time and when to order them

- to ensure that stocks will not decrease in value as a result of poor storage or improper handling
- to prevent wastage
- to prevent theft

How will you go about controlling your stocks? You can do this by keeping **STOCK CONTROL RECORDS**.

On the next page is one example of a record used by a small retailer to control the stocks in her shop. She inspects the items in the shop and makes a count, in order to decide which items which must be bought and in what quantities.

You can make up your *own* stock control record so that you can keep track of what is happening in *your* business!



DATE OF STOCK-TAKING \_\_\_\_\_ 19 \_\_\_\_\_

ITEM	Opening Stock	Purchases	Sales	Closing Stock	Re-order level	Quantity to Order
Milo (large)						
Milo (small)						
Tea bags (pk of 25)						
Coffee, small						
Rice (2 bags)						
Sardines (tin)						
Sugar (dk 1lb)						
Sugar (dk 2lb)						
Sugar (gran. 2lb)						
Condensed milk (tin)						
Corned beef (tin)						
Soap Powder (lg)						
Soap, powder (sm)						
Bleach (10oz)						
Soap, cake						
Soap, bath						
Oil, coconut (pt)						
Oil, soya bean (pt)						
Margarine, pkg						
Margarine, tub						
Toilet paper, sgl.						
Noodle soup (pk)						
Whole chickens						
Saltfish						
Salted pork (lb)						

### **3. ANALYZING THE PERFORMANCE OF YOUR BUSINESS**

To be a good manager of a business, you will need to know how your business is doing and if problems develop, you will need to know about them soon enough so that you can correct them before they become serious. This may mean that you will need monthly, quarterly and annual financial statements.

All businesses need these statements of business performance. Fortunately, even very small businesses can get enough information to prepare these statements from their receipt books and cash book. The cash book will provide all the information needed to prepare the financial statements if they (i) do not own fixed assets, (ii) buy goods or service for cash, (iii) sell their goods or services for cash (iv) have few stocks which change very little in value over time, or (v) have no stocks at all.

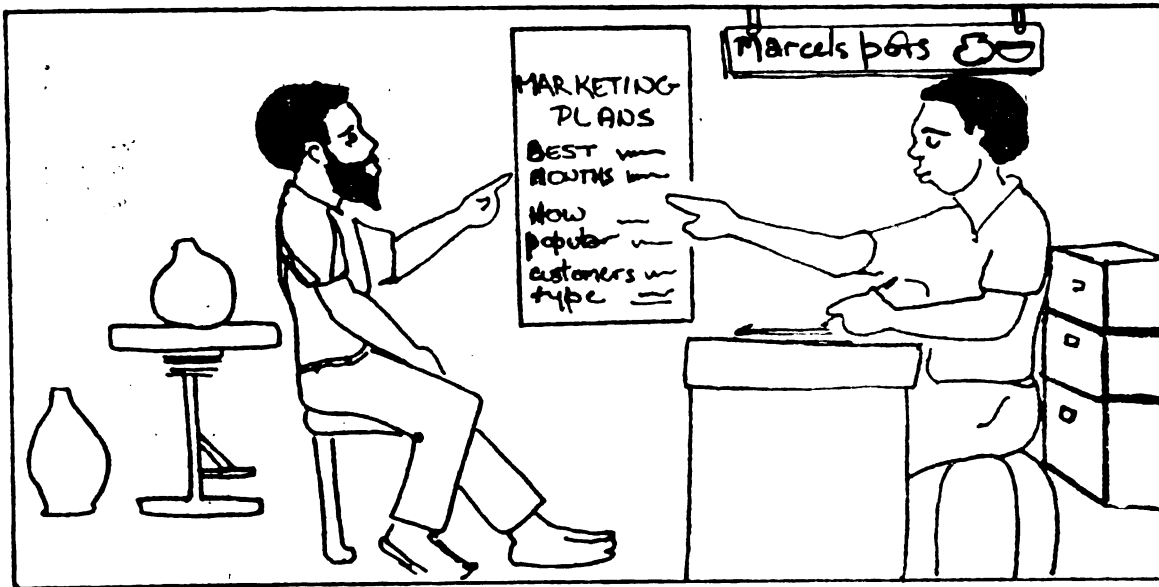
For businesses which have stocks, sell and buy for cash and credit and own fixed assets such as equipment, machinery, buildings or land, other records should be kept, in addition to the receipt book and cash book. These are records of cash and credit purchases, cash and credit sales and values of stocks and fixed assets.

### **4. PLANNING**

Planning is essential if business are to grow. Information about what took place in the past is helpful in planning for the future. For example, knowing how many items were sold in a particular period will help when decisions have to be made as to the quantity of goods to purchase for resale, or the quantity of raw materials to buy for making your products.

Records are therefore very useful when a business person plans for the future. Business plans are generally of three types:

- a) Marketing plans
- b) Production plans
- c) Financial plans

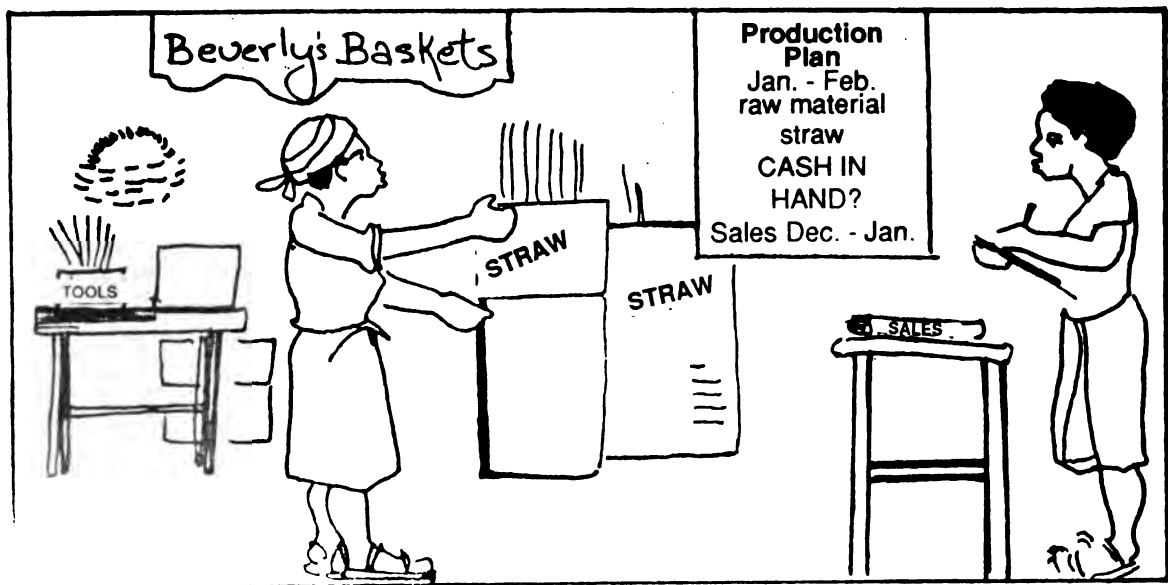


For making marketing plans, past records of sales can give valuable information about trends in the market, such as:

- 1) the periods during which your product sells best
- 2) how popular one product is, compared to others
- 3) the type of customers who buy your product

Production planning also requires the use of the records. Some of these include:

- 1) amounts of goods or raw materials in stock
- 2) records of sales
- 3) records of cash available for use.



Financial planning starts with the Budget. This is a summary of income and expenses and the profit or loss which will result from the operation of a business over a particular time period. In order to prepare a budget, past information about sales and expenses must be known. This information can be obtained from the Cash Book or Sales and Expense Records.

After you complete a budget, it is possible to predict, depending on the accuracy of your budget, how much cash you will have on hand at any point in time during a coming period. This is known as a cash flow plan and is important as it will allow you to make payments for your business when they are due.

As your business progresses, the need for more records may become apparent. They should always be designed to give you whatever information you need, in the easiest way, as accurately as possible.

# 12.

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## Using the Bank

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Using the bank means having a safe place to store your money. If your money is secure in the bank, there is no possibility of losing it through robbery or for any other reason.

There are various types of bank accounts, but the two used most often are:

1. Savings Accounts
2. Chequing Accounts

In order to open either of these accounts, you must go to the bank. The bank will want to know your name and address and will ask you to sign your name so they will have your signature in their records. They will also want some sort of identification such as a passport, driver's license or I.D. card, to make sure that you are the person you say you are. You may also need identification when you go to the bank to make withdrawals from your account. You must also go to the bank in order to make a deposit to either a savings or a chequing account.

### SAVINGS ACCOUNTS

When a savings account is started, the bank issues a passbook. This passbook is a record of amounts deposited, amounts withdrawn, and any interest paid to the account. Money put into a savings account earns interest. Most banks pay interest twice yearly, but some pay monthly, quarterly, or annually.



A deposit slip must be filled out each time money is put into the account. The deposit slip, the passbook and the money to be deposited are given to the bank teller. The teller will check to be sure that the amount of money you have given is the same as the amount shown on the deposit slip. The teller will then enter that amount in your passbook and return the passbook to you.

As you can see on the following page of examples, deposit slips from various banks may look different but they all require the same information to be completed. Below is a list of the information you will be required to provide on most deposit slips:

1. The date the deposit is made.
2. The name(s) of the person(s) on the account.
3. Whether you are depositing cash or cheques.
4. The Account Number as it is written in your passbook.

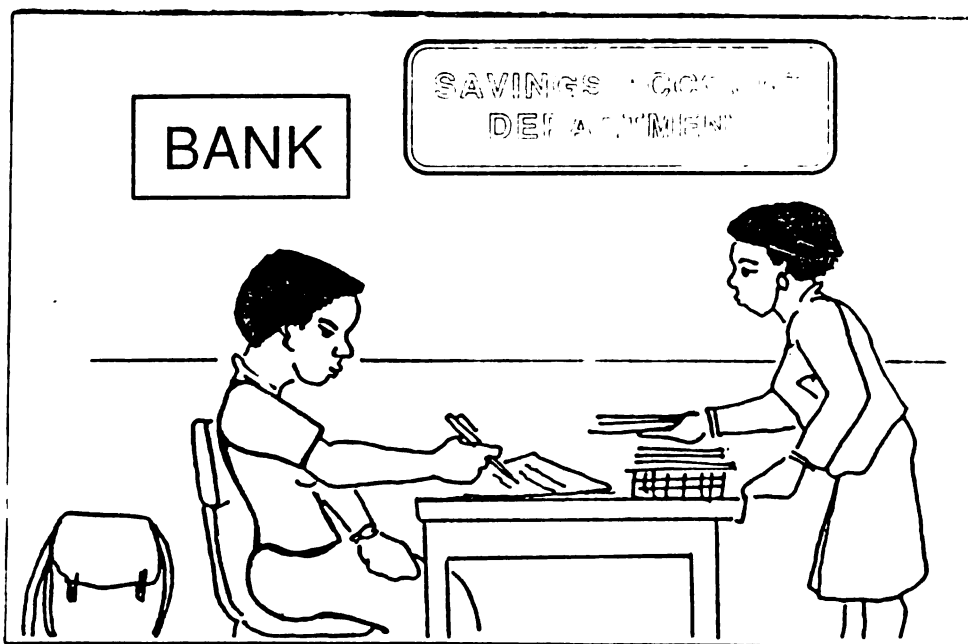




To withdraw money from a savings account, a withdrawal slip must be filled out and presented to the teller along with the passbook. The teller will verify from the bank records that your passbook is correct and that you have in your account, the amount of money you want to withdraw. The amount to be withdrawn will then be entered in the passbook by the teller, and the passbook along with the money withdrawn will be given to you. Most banks require that you pay a small fee for stamp duty each time you withdraw money from your account.

As you can see on the following page of examples, savings account withdrawal forms from various banks may also look different, but they all require the same information. Below is a list of items common to most withdrawal forms.

1. The date the withdrawal is made.
2. The amount of money you wish to withdraw in numbers and in words.
3. The account number as it is written in your passbook.
4. Your signature as it appears in the bank records. Remember the form is not complete until you have signed your name.



# EXAMPLES OF WITHDRAWAL SLIPS

FOR BANK USE ONLY	COMMERCIAL BANK TRINIDAD AND TOBAGO LIMITED	
Branch	Date	
	(Amount)	
	DEBIT SAVINGS ACCOUNT No. _____ with the sum	
	of _____	
	receipt of which I hereby acknowledge	
TOTAL	Signature _____	
NEW BALANCE		

**\$** THOMAS & SAMSON STS

X 1	
X 5	
X 10	
X 20	
X 100	
COIN	

FORM 8414 (6/87)

**SAVINGS ACCOUNT WITHDRAWAL**

Please note that you may be requested to sign this form in the presence of the teller attending to you.

\_\_\_\_\_ 19\_\_

RECEIVED FROM THE IMPERIAL BANK OF TRINIDAD AND TOBAGO LIMITED \$ \_\_\_\_\_

\_\_\_\_\_ DOLLARS

ACCOUNT NUMBER	TRANSACTION	DATE	AMOUNT	BALANCE
131	30	49	85	

SIGNATURE \_\_\_\_\_

PLEASE INSERT DATE, AMOUNT AND ACCOUNT NUMBER BEFORE BRINGING TO TELLER

**TTBL**

**TRINIDAD AND TOBAGO BANK LIMITED**

SAVINGS WITHDRAWAL SLIP

\_\_\_\_\_ 19\_\_

RECEIVED FROM TRINIDAD AND TOBAGO BANK LIMITED \$ \_\_\_\_\_

\_\_\_\_\_ DOLLARS

ACCOUNT NUMBER

TELLER	TYPE

SIGNATURE \_\_\_\_\_

THE PASSBOOK MUST BE PRESENTED WITH THIS WITHDRAWAL SLIP

## CHEQUING ACCOUNTS

A chequing account offers you the convenience of buying goods and services without using cash. A chequing account does not pay interest, rather, you pay for the convenience of using cheques.


Chequing accounts usually provide the added advantage of an overdraft facility such that, you can spend money more than you actually have in your account, up to a certain specified amount.

A deposit slip must be filled out whenever a deposit is made to a chequing account. The information for a chequing account deposit slip is the same as that for the savings account deposit slip. A chequing account does not have a passbook, but you receive a copy of the deposit slip from the teller. You must then enter the amount of the deposit into your own cheque book records.

A cheque is an order to the bank to pay an amount from your account to the person or firm named on the cheque. It is a convenient way to pay for goods and services. The bank charges a ledger fee (service charge) on a chequing account as well as deducting stamp duty from the account based on the number of cheques you write.

Most cheques have two parts which must be completed:

1. The cheque
2. The cheque stub.

	Name of person receiving cheque	Date cheque is made out	
Date	Dec 20, 1985	COMMERCIAL BANK TRINIDAD LTD	
Name of person receiving cheque	John Williams	December 20 1985	
Purpose of cheque	for 3 months		
Price of each item	NO 059392	Pay To The Order of John Williams	
Total amount in numbers	\$300.00	Three hundred only — Dollars \$300.00	Sum of money in numbers
		A.C. Spence	Signature of person writing cheque
		1-059392-00023-077-231716874-768	
	STUB which you keep for your records	Sum of money in writing	

The cheque is the actual order to the bank. The following steps must be taken to fill in the cheque.

1. Date \_\_\_\_\_ 19 \_\_\_\_  
Fill in the date on which the cheque is made in the upper right of the cheque leaf.
2. Pay to the order of \_\_\_\_\_  
Fill in the name of the person or firm to whom the cheque is being written.
3. \_\_\_\_\_ Dollars  
Place, in writing, the sum of money you wish to pay the person named in Item 2.
4. \$ \_\_\_\_\_  
Place, in numbers, the sum of money equal to the amount written out in Item 3.
5. Sign your name on the last line at the bottom right of the leaf as you have signed it for the bank records. Remember, the cheque is not complete until you have signed your name on this line.

The cheque stub is very important, as it allows you to keep a record of how much money is paid out to whom and for what purpose. It also helps you to have an idea of how much money you have left in your account. This part of the cheque is kept in your cheque book for reference. The following steps must be taken to complete the cheque stub:

1. Date \_\_\_\_\_ 19 \_\_\_\_  
Fill in the date the cheque was written out.
2. Below the date, write in the name of the person or firm the cheque is written out to.
3. Immediately below the name of the person or firm, fill in the item or items the cheque was written out for. (For example, school fees, 3 goats, etc.)

4. Fill in the price of each item (optional).
5. On the last line, write in numbers the sum of money the cheque was written for.

Every month, the bank sends you a statement along with all the cheques which have been cashed during the period shown on the statement. The statement shows how much money comes in and goes out of the account and the amount remaining at the end of the period. This statement is the bank's record of your account.

### STATEMENT

MRS. A.C. SPENCER

CUSTOMER ACCOUNT NO:                      0001351                      FIFTH STREET

DATE	PARTICULARS	DEBIT	CREDIT	BALANCE
22/03/86	<b>Balance Brought Forward</b>			187.57
25/03/86	059354	65.79		
25/03/86	<b>Ledger Fee</b>	78.82		42.96
26/03/86	<b>Cash/Cheques etc.</b>		450.00	
1/04/86	059352	50.00		422.96
1/04/86	<b>Stamp Duty</b>	0.56		
1/04/86	059355	37.04		
1/04/86	059356	80.00		
1/04/86	<b>Preauthorised Payment</b>	51.10		274.26
3/04/86	502631	34.85		239.41
4/04/86	<b>Cash/Cheques etc.</b>		545.00	
4/04/86	059357	110.00		
4/04/86	612244	50.00		
4/04/86	612250	80.00		544.41
9/04/86	059359	55.77		488.64
10/04/86	059358	166.57		322.07
12/04/86	<b>Preauthorised Payment</b>	54.95		267.12
15/04/86	<b>Cash/Cheques etc.</b>		625.00	
15/04/86	059363	100.00		
15/04/86	059364	300.00		492.12
15/04/86	059362	100.00		
15/04/86	059365	49.00		343.12
18/04/86	059368	39.50		303.62
19/04/86	059367	130.00		173.62
22/04/86	<b>Cash/Cheques etc.</b>		464.00	637.62

OVERDRAWN BALANCES ARE INDICATED BY THE LETTERS DR.

MRS. A.C. SPENCER    20 Fifth Street, Barataria, San Juan

**Whenever you receive the statement, you need to reconcile your cheque book balance with the balance on the statement. To reconcile your account means to compare the bank's records with your own records, to make any necessary adjustments, and to correct any errors found, so that the balance on the bank's statement and the balance in your own records are the same.**

**Look at the statement for A.C. Spencer's current account on page 160. Note that the debit column on the left is where all money taken out of the account is recorded, and the credit column on the right is where all money put in to the account is recorded. A running balance of the account is kept in the far right column.**

**Now let us begin the process of reconciling the account. On page 162 is an example of a reconciliation form. To check the balance in the account, take the following steps:**

- 1. Compare the amount of each cancelled cheque returned along with your bank statement, with the amount recorded in your cheque book, to be certain there are no errors in the amounts.**
- 2. Put the balance shown on your bank statement on the left side of the reconciliation form if it is a negative balance (debit) or on the right side if it is a positive balance (credit).**
- 3. Make a note of the cheques which you have written out but have not yet been cashed and which do not show on the debit column of the bank statement. They will have to be listed on the left hand side of the reconciliation form.**
- 4. Make a note of all deposits you have made to your account but have not yet been recorded by the bank. These will have to be listed on the right side of the reconciliation form.**
- 5. Also on the right side of the reconciliation form be sure to list all debit terms on this statement not shown in your records. (For example, ledger fees and stamp duty).**

6. Add up both sides of the reconciliation form and subtract the lessor from the greater. This should be your cheque book balance. If it is not, you need to go back over your work to find the error.
7. Now, you must go back to your cheque book records and deduct any ledger fees, stamp duty, or other fees which were shown on your bank statement but which you have not recorded in your own records.

### RECONCILIATION FORM

Date: \_\_\_\_\_

**LIST HERE**

1. Balance shown on this Statement only if DEBIT. (a negative balance)
2. Unpresented Cheques - cheques written but not received by the bank.
3. Credit terms on this Statement not on your record.

Cheque No./Ref.

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**LIST HERE**

1. Balance shown on this Statement only if CREDIT. ( a positive balance)
2. Deposits not yet received by Bank.
3. Debit terms on this Statement not on your record.

Ref.

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TOTALS \_\_\_\_\_

SUBTRACT  
LESSER FROM  
GREATER \_\_\_\_\_

BALANCE \_\_\_\_\_



**Reconciling your account is an important part of keeping a chequing account. It helps you to keep an accurate record of all transactions, as well as to find errors made by you or the bank.**

**On the following pages are some exercises for you to practice writing cheques, reading a bank statement, and reconciling an account. GOOD LUCK!**

## **EXERCISES**

- 1. According to Mrs. A.C. Spencer's Bank Statement, on page 160 what was the balance brought forward at the beginning of the period? At the end of the period?**
  - 2. What was the amount of cheque No. 059355? No. 612244? No. 059367? No. 059365?**
  - 3. How much was the deposit made on April 4? March 26? April 22?**
  - 4. According to the Bank Statement, what was the balance on April 12? April 3? April 19? March 25?**
- a) Write the following cheques (use the blank cheques on the next page):**
- For the purchase of 100 pounds of seed at \$6.00 per pound at Mrs. A.C. Spencer's store, July 14, 1986.**
  - For preparation of 250 acres of land at \$14.00 an acre for Mr. Milton Morgan on May 15, 1986.**
  - For 56 bags of fertilizer at \$8.00 a bag from Wright's Dry Goods Store on June 14, 1986.**

COMMERCIAL BANK TRINIDAD AND TOBAGO LIMITED

STAMP  
DUTY  
PAID

\_\_\_\_\_ '9 \_\_\_\_\_

PAY TO THE ORDER OF OF

059392

\_\_\_\_\_

DOLLARS

\$ \_\_\_\_\_

0593921

I: 000023007

231675 74<sup>11</sup> 768

COMMERCIAL BANK TRINIDAD AND TOBAGO LIMITED

STAMP  
DUTY  
PAID

\_\_\_\_\_ '9 \_\_\_\_\_

PAY TO THE ORDER OF OF

059392

\_\_\_\_\_

DOLLARS

\$ \_\_\_\_\_

0593921

I: 000023007

231675 74<sup>11</sup> 768

**b) RECONCILE THE FOLLOWING BANK STATEMENTS (use the forms which follow):**

- 1. Balance brought forward - \$1,250.47**  
**Cheques written but not cashed by the Bank:**

No. 145	\$ 167.43
No. 147	\$ 443.21
No. 148	\$ 617.45
No. 152	\$ 22.19

**Deposits made after the closure of the statement:**

**\$550.00;      \$ 49.50;      \$ 402.34**

**The balance in the chequebook is \$1,412.03. Is this correct?**

- 2. Balance brought forward - \$1,527.19**  
**Cheques written but not cashed by the bank:**

No. 113	\$ 149.15
No. 117	\$ 23.42
No. 119	\$ 231.77
No. 120	\$ 54.68

**Deposits made after the closure of the statement:**

**\$ 320.00;      \$56.00;      \$123.00**

**The balance in the chequebook is \$1,567.17. Is this correct?**





13.

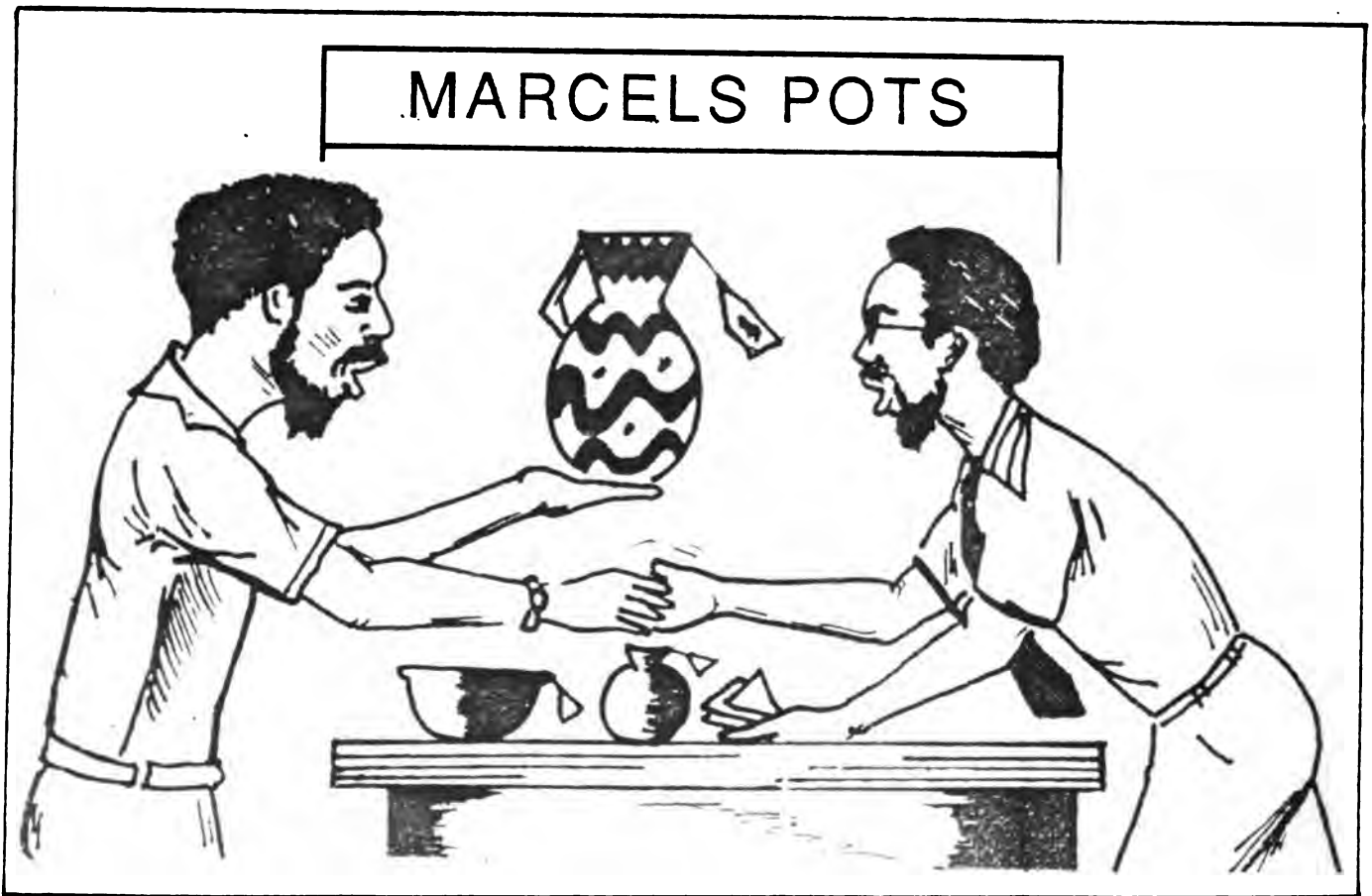
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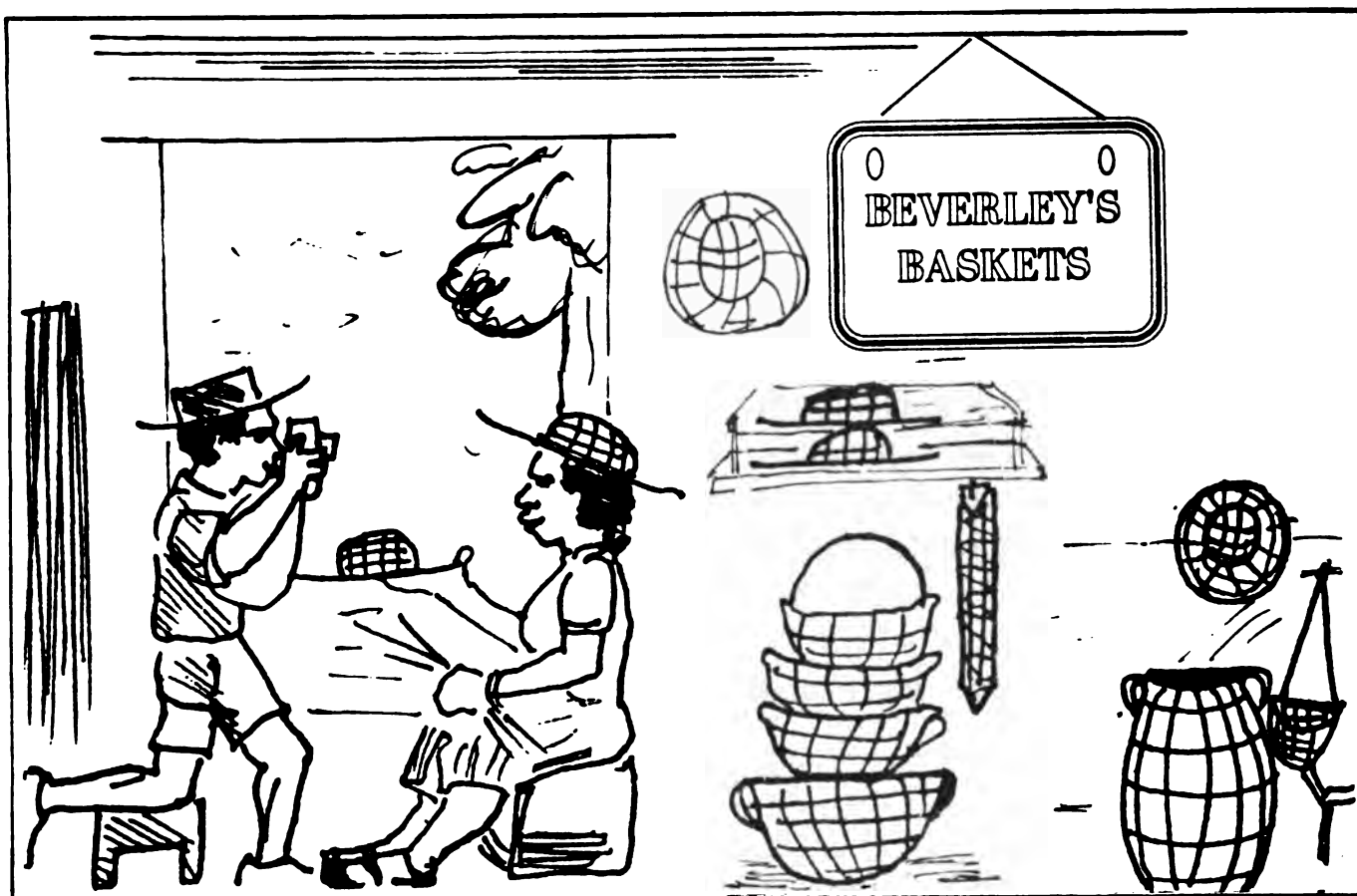
## Customer Relations

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In starting a new business, it is important to remember that no business can survive without its customers. Customers will buy from you if they prefer your goods or services and will usually turn to another business if they are not satisfied. What makes a person decide to buy at one business instead of another? Let us see how this question was answered by some of the producers we spoke with:

Yvette Morgan, "rock bun" baker, insists that the high quality of her product keeps bringing customers back for more.





Marcel Grant, potter, feels that his friendly attitude has much to do with satisfied customers. People enjoy buying from Marcel, who always spends some time explaining details about where he gets his raw materials and how he makes his pots.

Beverly Harris, basketweaver, is sure that keeping things clean is the answer. Her stall of baskets is spotless; her baskets are neat and arranged in an organized way. In addition, Beverly herself is always neat and tidy.

Rod Riley tells us, "In my grocery store, I try to make sure that customers are always well taken care of. I teach all the employees to be friendly and helpful to customers. I think this makes people come back to buy from me again and again."

**Let us summarize what these small business people are saying:**

**First, there are many different ways to have good customer relations. The most successful business person is the one who practices all of these different ways together.**

**These are:**

- a) Maintaining high quality products and giving good quality service.**
- b) Being friendly and courteous.**
- c) Providing information on the products.**
- d) Keeping your products, your selling space and yourself neat and tidy.**
- e) Helping customers, so that they leave your business satisfied.**

**Can you think of any other important ways to have good customer relations?**

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**REMEMBER: To have good customer relations, you must be honest, reliable and responsible.**

**You must offer fair prices and good terms.**

**Your location should be convenient and attractive, both inside and outside. You should be available to sell to customers when it is convenient to them.**

**You should know enough about your product to provide customers with the information they request. You should also keep track of customer's likes and dislikes and sell the products or services they prefer.**



# GLOSSARY

**ABANDON:** Discard, do away with.

**ADMINISTRATION (of loan funds):** Management of the loan funds.

**AGRO-INDUSTRIAL:** Industrial activities involving the utilization of agricultural produce.

**ANALYSE:** Study, examine

**APPRAISAL:** An estimate of value

**ASSETS:** Possessions of a business necessary for the functioning of the business, such as cash, buildings, land, equipment, supplies, stocks.

**BANKABILITY:** Ability to qualify for a loan from a bank.

**BILL OF SALE:** A certificate which commits property to be used as security.

**BORNE:** Carried

**BUSINESS:** The occupation of buying, or making and selling a product or selling a service

**CAPABILITIES:** Power or abilities

**CAPITAL:** Funds, money put into a business

**CHEQUE:** A written order for money drawn on one's account at a bank

**CLIENTS:** Persons using one's services

**COMPETITIVE:** Being comparable with one's competitors

**COLLATERAL:** Security, property pledged as a guarantee for repayment of money.

**CO-SIGNER:** Person signing jointly with others

**CO-OPERATIVE:** An organization of a group of people who come together to produce, buy and sell or a combination of these.

**CRITERIA:** Standards that things are judged by.

**DEMAND:** The desire of would-be buyers for an item or service

**DEPRECIATION:** An accounting procedure for calculating the loss in value of a fixed asset resulting from wear and tear of the item over time.

**DEPENDENCY:** Reliance on another

**DERIVATIVES:** Things which have their origins in another source

**ECONOMICALLY VIABLE ENTERPRISE:** An enterprise which is capable of remaining a profitable venture.

**ENCOMPASSES:** Covers or surrounds

**ENTERPRISE:** A business firm, organization, agency, institution

**EXPENDITURE:** An amount of money used up.

**FEASIBILITY STUDY:** A study to find out if a business or project is workable, practicable, achievable.

**FINANCIAL INSTITUTION:** An organization concerned with providing money for projects or businesses.

**FINE:** A sum of money fixed as a penalty for an offense.

**FOSTER:** To promote or encourage growth

**FUNDING AGENCY:** *See* FINANCIAL INSTITUTION

**GRACE PERIOD:** Time allowed between the granting of a loan and the commencement of the repayment.

**GRANT:** A sum of money donated for a project.

**GEARED:** Adjusted or adapted to suit another

**GUARANTOR:** A person who undertakes to answer for payment of the debt of another person.

**IMPORT SUBSTITUTION:** Local production to replace imported goods.

**INTEREST:** Money earned on savings; money paid as a charge for using another's money.

**INTERVIEW:** A meeting of persons face to face to discuss matters.

**LIABILITIES:** Debts

**LIASION:** A connection of go-between

**LOAN:** Money lent to be returned with interest

**LOAN PROPOSAL:** A document presented to a financial institution justifying the request for a loan.

**LOAN REPAYMENT SCHEDULE:** A timetable showing how a loan will be repaid over time.

**MANAGEMENT:** Administration of a business.

**NET INCOME STATEMENT:** A financial statement which shows the net profit or loss of a business over a specific period.

**OPERATING EXPENSES:** The amount of money spent in order to carry on a business.

**ORNAMENTAL HORTICULTURE:** Cultivation of plants grown for their beauty.

**PARTNER:** A person associated with others in business sharing the risks and profits.

**PENALTIES:** Payments of sums of money for breaking a contract or agreement.

**PERSONALLY ADMINISTERED BUSINESS:** A business managed by the person owning it.

**PIONEER:** One who starts or originates and is followed later by others.

**POTENTIAL:** Possible

**PRE-INVESTMENT STUDIES:** Analysis which is carried out before any money is committed.

**PRINCIPAL:** The original amount of money lent.

**PRIORITY:** Something which is of more importance than other things

**PROFIT:** A gain in money, the difference between returns and what is spent.

**PROMISSORY NOTE:** A signed document containing a written promise to pay a specific sum of money to a specific person or firm on a specific date.

**PROPRIETORSHIP:** Having ownership of a business

**PROSPECTIVE:** Future or possible

**QUESTIONNAIRE:** A document containing a series of questions, used to get information.

**REDUNDANT:** No longer needed for any available job at a workplace.

**RENOVATE:** Repair, restore to good condition, make new again.

**RETAILING:** Buying goods to sell.

**REVOLVING LOAN FUND:** A fund used to give loans; when loans are repaid, the proceeds are used to give additional loans

**SCHEMATIC PRESENTATION:** A presentation of facts using drawings to explain a process.

**SECURITY:** *See* COLLATERAL

**SHAREHOLDER:** Owner of shares (the equal parts into which a company's capital is divided) entitling the holder to a portion of the profits.

**STATUTORY:** Made by law

**STOCKS:** Goods on hand

**SUMMARIZE:** Sum up.

**TARGETS:** Results aimed at.

**TECHNICAL ASSISTANCE:** Help in managing a business or project successfully.

**TRACK RECORD:** The past achievements of a person or business.

**VETO:** Prohibit, forbid.









