

Enterprise Development Training Course

DAY TWO - SESSION FIVE

Business Plan Presentations

Objective: to enable participants to present their enterprise experience plans and thus to improve their presentation skills and their ability to assist their clients to plan their own businesses.

Time: Approximately ten minutes per 'business', plus about half an hour.

Materials

The 'bank' will need a small supply of loan agreement forms, which should be drawn up formally, and should include space for:

- The name(s) of the borrower(s), the business and the bank manager.
- The date(s) and times by which the loan is to be repaid (all loans must be repaid before the final presentations of results on Day seven)
- A brief description of the security which will be taken and a statement that the borrowers agree that it may be retained until complete repayment has been made, or, if not, that it may be sold to cover the debt, with any surplus returned to the borrowers.
- Dated and witnessed signatures of the borrower(s) and the 'bank manager'.

Session Guide

1. If you do not already have this information, ask participants to state what business each proposes to start; list the businesses and their owners on the board. There may still be some misunderstandings or uncertainties, since they have not had very much time. Some participants may, if they wish, be involved in more than one business, but every participant must be involved in at least one.

Remind participants that each business is allowed five minutes only for its presentation; enforce this rigidly, by warning presenters when they have taken four minutes and stopping them after five.

2. Choose one business to start, and nominate one other participant to comment on the actual presentation itself and another to comment on the content. Stress the distinction between presentation and content; NGOs often fail to obtain funding or other support not because the content of their plans is poor but because they fail to present them properly. The commentators' comments should be invited after the presentation, and should be used to initiate discussion for about five minutes, before the next business is presented by its owner(s).

Suggest that the commentators on the presentations might focus their attention on aspects such as:

- The clarity and legibility of any visual aids.
- The logical sequence of the presentation.
- The confidence and knowledge of the presenter(s).

The content commentators should focus on questions such as:

- The figures: were they correctly calculated and reasonable?
- Was all the information relevant and were any important items omitted?
- Is the business convincing, would the commentator herself invest her own money in it?

Write both sets of questions on flip-chart sheets and display them in the classroom. They will be useful in this and in later sessions when participants have to make presentations.

Invite other participants to comment further after each nominated commentator has shared his views. Remind them of session three, and of the need for optimism. These presentations relate not only to the enterprise experience, but they also provide an opportunity to develop the ability to make rapid business assessments, and to make positive and constructive comments and suggestions. This is a vital task in the job of enterprise development.

In this and several later sessions it is suggested that participants should be asked to comment on one-another's presentations; it is important to elicit as many comments as possible from participants, but you should also yourself add any important points which they have missed.

In particular, be sure to correct any mathematical or other basic errors which have not been mentioned by the commentators or other participants. In particular, ask any participants who criticised presentations for missing information to state *how* they would suggest the information might have been obtained.

Most business plans neglect the question "*Why* should people buy my goods or services?". Their writers assume that because the business exists, people will buy from it. Ensure that this point is properly covered.

3. Continue through all the businesses in the same way; in this and subsequent sessions when participants are being asked to make presentations, avoid following a preset sequence, such as going round the training room from left to right. If your choices are unexpected, participants will not be so tempted to relax because they know that they have a long wait before their turn.

Nominate different 'commentators' for each business, and ensure that every participant is nominated at least once. Participants who are shy or lack confidence must be encouraged to take their turn in this way.

4. These presentations will have revealed that some businesses will be quite profitable, and it is likely that most participants have aimed their businesses at the 'market' of their fellow-participants. Some participants may object. Point out that they will be free to buy or not, and indeed to offer the same goods or services at a lower price in competition if they wish. People who start businesses deserve a reward for the risk and the idea.

There may also be more than one business offering the same services, such as laundry or transport. Even if this has not happened, ask participants to imagine how they might have felt if someone else had proposed to start an identical business to theirs.

Some might be inclined to give up, because they have lost what they thought was their monopoly. Remind them of the reality of every village market, where there are large numbers of businesses offering the same goods. Point out that subsequent sessions on marketing will deal in more detail with marketing, but ask participants how so many apparently similar businesses do survive, and how some prosper and some do disappear; is there indeed any real monopoly business, apart from government imposed ones, which are fast disappearing?

Elicit the suggestion that successful business owners try to make their businesses different from their competitors, even in very modest ways. They may be more friendly to their customers, they may stay open longer, they may deliver their goods or services right to people's houses. The enterprise experience provides an opportunity to practice marketing skills of this sort.

5. It is still possible that some participants might want to make radical changes in their businesses, after presenting their plans. Clarify that their business plans do not oblige them in any way actually to start the businesses they have described, and to work towards the results they have forecast.

One of the strengths of small businesses is that the people who own them can rapidly adapt them or even change them completely in response to new challenges and new opportunities. Participants, like their clients, are free to change their plans at any time if they wish. Business plans are like a map, which shows the way but does not force the traveller to follow it if he decides to go somewhere different.

6. Tell participants that they should now start their businesses; some indeed may have already started, and this is quite acceptable. Remind them that they will have to keep records of all the money that comes into and goes out of their businesses, whether it comes from the owners or the customers, and whether it is used for paying wages, for buying supplies or any other purpose.

Remind them that one of the major problems of small business owners is, that they fail to distinguish between their personal money and that which belongs to the business. Even if you are the only owner of a business, you must keep its money separate from your own, and carefully control the amount of money (or goods) you take out of it (or put into it). The enterprise experience is a good exercise in this separation task. Participants may choose to pay themselves wages for their labour, or they may prefer to accumulate the profit (if any) and to pay themselves by distributing it at the end. It is up to them.

7. Stress in conclusion that participants should try to remember that the enterprise experience is not primarily a way for them to try to make some profit, nor a way of providing services and entertainment during the course, but it is a way of learning about business enterprise by being enterprising and business-like. They should run their businesses enthusiastically, but should at the same time try to think about their own experience and learn from it how they can help their clients more effectively.

Note

After the session, invite any participants who want to borrow money to meet you individually. Ask them to present their case for a loan to you, and be critical, like any sceptical bank manager. They must be able to show you why they are confident they can repay as they propose, and if you are not convinced you should ask them to improve their case and come to see you again later.

Ensure that they have correctly calculated the interest payments in accordance with the amount of loan that will be outstanding each day.

Appraise the security and be sure that it is something of value to the borrowers, even if its resale value might not cover the full amount of the loan. A cheque book, a credit card, some books or an identity card are all appropriate.

If you are satisfied, conclude the meeting by completing the loan agreement form, taking the security, and handing over the cash.