

Women and
*i*CT

Frontier
Initiative

**Planning a Business
Using ICT**

Module W1



UNITED NATIONS
AP*i*CT-ESCAP

Women Entrepreneurs Track

Module W1:

Planning a Business Using ICT

Maria Juanita Reyes Macapagal

Women and ICT Frontier Initiative - Women Entrepreneurs Track

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Preface

Women's entrepreneurship is a force for positive social transformation. Most women entrepreneurs are innovative, determined to overcome obstacles and remain open to lifelong learning. Their success generates ripple effects, from increased household savings and investment in children's health and education, to boosting job creation and significant increases in national GDP.

While the Asia-Pacific region has closed some of the gender gaps in health and education, women tend to still be more excluded than men from economic opportunities, whether by restricted entry into the labour force, lower wages, vulnerability in dangerous occupations, or lower access to finance and credit.

The 2030 Agenda for Sustainable Development is our global blueprint for the economically, socially and environmentally sustainable future we want, for this and future generations. With the gender gap having changed very little for more than 20 years however, realizing this vision in Asia and the Pacific will be even more challenging. Inequalities stifle economic dynamism, undermine social cohesion and hamper environmental sustainability. Addressing persistent inequalities requires us to tackle the roots of poverty and discrimination, and to provide adequate social protection to the most vulnerable. This also requires the harnessing of science, technology and innovation, as well as leveraging the power of Information and Communication Technologies (ICTs) to increase opportunities in all spheres of development.

ICTs are valuable enabling tools for socio-economic development, social participation and empowerment, yet specific segments of the population continue to face disadvantages resulting from their lack of access and capacity to use these technologies. In order to bridge this digital divide and to help address the gender gaps which remain, the Asian and Pacific Training Centre for ICT for Development (APCICT) has developed the Women and ICT Frontier Initiative (WIFI) to support women's entrepreneurship with fundamental knowledge of business management, ICT skills and online resources. The programme also actively promotes an enabling policy environment that will specifically tackle the institutional barriers that lie in the way of women's advancement.

The WIFI modules reflect the proposition that the development of both ICT skills and entrepreneurial knowledge are critical to improving livelihoods and promoting the overall economic prosperity and well-being of women. WIFI marks a milestone in building an inclusive and sustainable future with the equal opportunities and benefits for all.

Hyeun-Suk Rhee
Director
UN-APCICT/ESCAP

About the Module

The primary objective of this module is to introduce existing and aspiring women entrepreneurs to business planning, and to the Information and Communication Technology (ICT) tools for business planning.

The module provides fundamental business planning concepts, analytical tools and ICT applications for business planning. This module is aimed at women who are ICT literate, are using ICTs only for basic tasks (e.g. making calls, text messaging, e-mail), and are interested in using ICTs for more advanced business functions (e.g. online marketing and selling). Nevertheless, non-users of ICT can also benefit from the module.

In consideration of the needs and preferences of women entrepreneurs, the module offers not only awareness and knowledge, but also suggested activities for women entrepreneurs to start applying the concepts and tools to their planned businesses.

The facilitators' guide at the end of the module provides suggestions on the delivery of the training to women entrepreneurs, and on the enrichment of this material in a local setting.

Learning outcomes

Upon completion of the module, a learner will be able to:

1. Understand the connection between women's empowerment and entrepreneurship, and the use of ICTs in women's business planning
2. Appreciate the business stages, women's challenges in business, the importance of planning and use of ICTs in planning
3. Identify and analyse business ideas in relation to the strengths and weaknesses of the entrepreneur, and in relation to the opportunities and constraints in the business environment, including the uses of ICTs
4. Recognize the importance of understanding the business environment, identify customers and competitors in the business market, and understand how ICTs can be useful in the identification process
5. Understand the creation of business value and the use of ICTs in the business process
6. Comprehend the importance of business goals and setting of business directions
7. Identify and analyse the resource requirement of a business, and understand how ICTs can help in the identification of business requirements
8. Appreciate the value of preparing a business financial plan and understand how ICTs can help in the preparation
9. Recognize the different types of business risks and the unintended consequences of business process and product creation
10. Understand how the business concepts are applied in writing a business plan

Target Audience

Potential women entrepreneurs and women entrepreneurs at the early stage of their businesses

Duration

8 hours on staggered basis spread out in a week - based on 2-hour daily availability of women participants

Acknowledgements

UN-APCICT acknowledges the partners who participated in the multiple rounds of review of the training content and who provided invaluable inputs while developing this module. We thank the Pakistan Institute of ICTs for Development (PIID) and the University of the Philippines Diliman - Extension Program in Pampanga (UP Clark). UN-APCICT also acknowledges the specific contributions of Maria Juanita R. Macapagal, Faheem Hussain, Sayuri Cocco Okada, Thi Ngoc Thao Nguyen, Maria Luisa S. Concepcion, Therese Marie B. Rico, Emmy F. Iman, Mina Lyn C. Peralta, Emmanuel C. Lallana, John J. Macasio, Usha Rani Vyasulu Reddy, Maria Anthonette Velasco Allones, and Grace Gorospe Jamon who truly helped shape the module. We also thank the participants from the consultative meetings, expert group meetings, workshops, and field tests, and finally, Christine Apikul for editing the module.

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List of Icons

-  Core/Key messages
-  Reflection Questions
-  Case Study
-  Something To Do
-  Test Yourself

List of Acronyms

APCICT	Asian and Pacific Training Centre for Information and Communication Technology for Development (United Nations)
ASEAN	Association of Southeast Asian Nations
C1	WIFI Core Content – Module C1: Women’s Empowerment, SDGs and ICT
C2	WIFI Core Content – Module C2: Enabling Role of ICT for Women Entrepreneurs
CCTV	Closed Circuit Television
ESCAP	Economic and Social Commission for Asia and the Pacific (United Nations)
FAO	Food and Agriculture Organization (United Nations)
ICT	Information and Communication Technology
ILO	International Labour Organization
IPR	Intellectual Property Rights
SCAMPER	Substitution, Combination, Amplify, Minimize, Put to Other Use, Eliminate and Rearrange
SDG	Sustainable Development Goal
SMS	Short Message Service
SMART	Specific, Measurable, Achievable, Realistic, Time-bound Goal
UN	United Nations
USD	United States Dollar
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNEVOC	International Centre for Technical and Vocational Education and Training
UN WOMEN	United Nations Entity for Gender Equality and the Empowerment of Women
W1	WIFI Women Entrepreneurs Track – W1: Planning a Business Using ICT
W2	WIFI Women Entrepreneurs Track – W2: Managing a Business Using ICT
WIFI	Women ICT Frontier Initiative

I. INTRODUCTION

The Core Content – *Module C1: Women’s Empowerment, SDGs and ICT* and *Module C2: Enabling Role of ICT for Women Entrepreneurs* explain the importance of empowerment and women’s participation in the economic and political spheres for achieving development goals. On one hand, women must be able to overcome the barriers of economic empowerment; and on the other hand, governments and institutions must be able to provide enabling environments to encourage women to gain access to finance, markets, training, networks, and enjoy their fundamental human rights. Likewise, the use of information and communication technologies (ICTs) in the economic and political activities can facilitate and contribute to achieving the sustainable development goals (SDGs), including the fifth goal to achieve gender equality and empower all women and girls.

For a woman, getting into a business is both rewarding and challenging. The rewards are numerous such as increase of self-worth and confidence when she is able to use her talents and skills, gain economic independence when she is able to generate her own income, and improve her and her family’s quality of life when she is able to create a more sustainable livelihood. It is challenging as she could encounter economic, social and cultural barriers that makes it difficult for her to become a successful entrepreneur. The barriers include the negative attitude towards women at work; women’s multiple roles as a daughter, daughter-in-law, wife and mother; and their limited access to finance, technology and training opportunities.

You can find many useful references on entrepreneurship and guides for entrepreneurs. This module is an addition to the literature but wishes to offer a practical guide specifically for women entrepreneurs that includes the use of ICTs for business. There are places where ICTs (particularly, the Internet) is limited, and many entrepreneurs thrive without it. However, making one’s business process more focused, organized and methodical while being creative gives an entrepreneur an edge over others, and this module demonstrates how ICTs can be used to give you that competitive advantage.

The Women Entrepreneurs Track – *Module W1: Planning a Business Using ICT* and *Module W2: Managing a Business Using ICT* are specifically designed for potential women entrepreneurs and those who are starting up their businesses. The modules serve as guides to women who desire to increase and improve their knowledge, skills and abilities in developing business plans and managing their businesses. The modules include case

examples, exercises, and analytical tools to build and enrich women entrepreneur's understanding of the business and its environment.

While the modules provide a guide to individual women entrepreneurs, it also encourages women entrepreneurs to engage and support each other as a group. The modules, when used by facilitators for training, are generic enough to be able to accommodate local examples and exercises that are more worthwhile for the target audience.

Learning outcome

Understand the connection between women's empowerment and entrepreneurship, and the use of ICTs in women's business planning

1.1 What is Module W1 about?

This module on planning a business using ICT is designed for women intending to start or improve their own business venture. The module is introductory. It provides fundamental business concepts, analytical tools and basic ICT applications in business planning. In consideration of the needs and preferences of women entrepreneurs, the module provides the learners with not only the awareness and knowledge about business planning, but also suggested activities for women to start applying ICT and non-ICT tools to their businesses.

The key learning objectives of this module are:

- » To present business planning concepts and analytical tools in the preparation of a business endeavour
- » To introduce ICT program applications specific to business planning

Specifically, the learning format will be practical and interactive, consisting of:

- » Concepts and business terminologies common to all types of businesses
- » Case examples to illustrate concepts and terminologies
- » Practical exercises and discussions that enable learners to apply the concepts to their specific businesses

1.2 What is a business?

A business is a set of activities to provide goods and services in exchange for money or goods and services. It can be profit or non-profit oriented. A business can be established and operated by one person, a group, a partnership or a corporation. Countries have laws and policies on regulating different types of businesses.

An individual that starts, owns and operates a business and takes control and responsibility for it is an entrepreneur. Instead of working as an employee she runs and leads a small business and assumes all the risk and reward of a given venture. The entrepreneur is commonly seen as an innovator of new ideas and business process.¹ See Box 1 for examples of women who founded innovative ideas (i.e. new products or services that provide new methods or solutions of doing things).

Box 1 Examples of women entrepreneurs with innovative ideas

The video, “Women Entrepreneurs: A Force for Change” (<https://youtu.be/gnDCH4sfwd8>) is a 10-minute long and showcases five successful women entrepreneurs in South-East Asia. The women talk about the barriers they face and how they overcome them.

The book, “Follow Every Rainbow: Inspiring Stories of 25 Women Entrepreneurs whose Gentle Touch Created Strong Business” narrates stories about women entrepreneurs. The article at <http://her.yourstory.com/25-women-entrepreneurs-0714> gives a glimpse of their stories.

The article, “10 Filipino women entrepreneurs who smashed the glass ceiling” (<https://www.techinasia.com/filipino-women-entrepreneurs-who-smashed-glass-ceiling>) features 10 women entrepreneurs from the Philippines.

From India, there are case studies of successful women entrepreneurs in the aquaculture sector in Tamil Nadu at <https://genderaquafish.files.wordpress.com/2011/04/25-dr-b-shanthi-successful-women-entrepreneurs-tamil-nadu.pdf>.

¹ Investopedia, “Entrepreneur”. Available from <http://www.investopedia.com/terms/e/entrepreneur.asp>.



Something To Do

Do you know any successful women entrepreneurs from your country? Write or talk about what they do and how they became successful. Share their stories with others.

Women entrepreneurs need not be alone. You can form or be part of a group that help each other develop, finance or run their businesses. For example, in some countries, small voluntary association of people come together for the purpose of solving their common problems through self-help and mutual help. These associations are called “self-help groups”. Some of these groups are engaged in livelihood projects, learning activities, and increase of financial savings to generate capital for their businesses. See article and video link in Box 2 for examples of self-help groups in India. Multi-purpose cooperatives and non-governmental organizations from several countries are also involved in similar initiatives.

Box 2 Examples of self-help groups in India

Article, “‘No one should sleep hungry here’: Women’s self-help group in Madhya Pradesh brings grains to starving villagers” (<http://www.dailymail.co.uk/indiahome/indianews/article-2560434/No-one-sleep-hungry-Womans-self-help-group-Madhya-Pradesh-bring-grains-starving-villagers.html>)

Videos on self-help groups and women’s empowerment by Navjyoti India Foundation (<http://navjyoti.org.in/self-help-groups/> or <https://www.youtube.com/playlist?list=PLHchKqxixMJO1qtqGTsLnz5JsdrDu-DDm>)



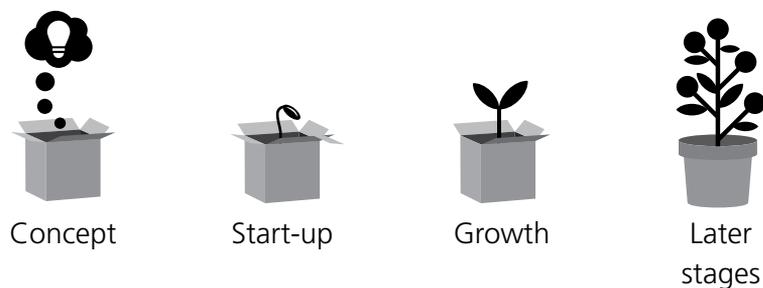
Something To Do

Find out if there are similar initiatives in your country that can support women entrepreneurs? Share your findings with others.

1.3. What are the stages of business?

Business literature points to a life cycle of a business. There are four stages of business: the concept, start-up, growth and later stages. Figure 1 provides an illustration of the business stages.

Figure 1 Four stages of a business



Source: MaRS, "Stages of company development: Angel seed and venture capital investors", 6 December 2013. Available from <https://www.marsdd.com/mars-library/angel-investors-seed-or-venture-capital-investors-that-depends-on-your-stage-of-company-development/>

Concept stage

The concept or seed stage of the business life cycle is when your business is just a thought or an idea. It is the conception or birth of a new business. In this stage the focus is on matching the business opportunity with the entrepreneur's skills, experience and passions. It is also the stage of planning, getting good information, and making decisions on the business ownership structure, financial sources, and the best way to build the product or deliver the service. The business plan is the biggest milestone in the concept stage.

At the concept stage, it is important to think of and anticipate the positive and negative outcomes and the challenges that you as a women entrepreneur must deal with. Women's multiple roles in the home demand a lot of time and resources. In the same manner, making and running a business also demand attention, time and resources. Women need support. You can be helped by people by using and pooling available resources. Knowing this from the start prepares and helps you anticipate how to meet business challenges.

At this stage the use of ICT devices and applications such as mobile phones, computer and program applications, and the Internet can be very useful to help you manage your time and resources, both at home and for your business.

Your responsibilities at home are never ending. Planning your personal activities and communication with your family and relatives are important matters that you must take care of every day. You can be aided by ICT devices and applications to plan and communicate personal matters.

Similarly in business, planning and communication plays a large part in preparing and operating the business activities, and building relationships for the business. At the planning stage, ICT devices and applications can help to gather important business information through the Internet and through people that you can communicate with using ICT devices.

Start-up stage

At this stage, the business is worked out to exist legally. You need to find out if you can meet government's regulatory requirements for setting up the business before you decide to continue and eventually start it up.

Also at this stage, products and services are developed and production is in place with the likelihood of having your first customers. This is also the stage that you put in place the system and procedures to make your business more efficient and effective. Systems will include the ways you buy materials and supplies, hire and manage people, operate the business to produce and get more sales, keep track of finances, and comply with government's regulatory requirements.

At this stage women entrepreneurs need a lot of support. The demands on time to communicate and make decisions are increasing. You will need people and resources to help you establish the business. Support mechanisms from relatives and friends, self-help groups and social networks can help to address challenges and gain more business opportunities. For example, having access to day-care centres for mothers who are entrepreneurs can help free up her time to meet her work obligations and personal needs. ICTs can also help to manage time, resources and personal matters.

Growth stage

This stage is illustrated by increased customers, sales revenues and profits. But competition is surfacing. The growth stage is very demanding with increasing business and personal challenges; more so if you are not able to plan and use your resources efficiently. Again, the business can be helped by getting more support from individuals and networks, and by making use of ICTs that can help your business run more efficiently. Often, entrepreneurs need to play multiple roles (as manager, bookkeeper, executive, financial analyst, marketing and public relations). You must be determined and prepared for these changes in your lives.

Later stages

At the later stages, business life can be described as becoming more routine and mature. Most likely, continuity for expansion becomes the challenge at this point. The business mind may look for more opportunities, and this require a lot of planning, information seeking, communicating and making contacts to get good information that will result in good business decisions. Again, the business at these later stages can be helped by using ICT programs and applications.

II. DEVELOPING YOUR BUSINESS PLAN

Learning outcomes

- » Appreciate the business stages, women's challenges in business, the importance of planning and use of ICTs in planning
 - » Identify and analyse business ideas in relation to the strengths and weaknesses of the entrepreneur, and in relation to the opportunities and constraints in the business environment, including the uses of ICTs
 - » Recognize the importance of understanding the business environment, identify customers and competitors in the business market, and understand how ICTs can be useful in the identification process
 - » Understand the creation of business value and the use of ICTs in the business process
 - » Comprehend the importance of business goals and setting of business directions
 - » Identify and analyse the resource requirement of a business, and understand how ICTs can help in the identification of business requirements
 - » Appreciate the value of preparing a business financial plan and understand how ICTs can help in the preparation
 - » Recognize the different types of business risks and the unintended consequences of business process and product creation
-

Cases of women entrepreneurs who became successful in their businesses (see Box 1) started with several business ideas. Their businesses were based on what they were familiar with; and they deepened their understanding of the product and their business environment. Many women entrepreneurs experienced challenges and failed businesses, but they rose above these with determination and learned from mistakes.

From business literature and anecdotes from entrepreneurs, there are internal and external factors that contribute to business failures. Some of the internal factors may include the following:²

² Tito Philips, Jr, "7 Reasons why most entrepreneurs fail in business", *Naijapreneur*, undated. Available from <http://www.naijapreneur.com/why-entrepreneurs-fail/>.

Lack of higher business purpose and vision

- » Lack of focus
- » Lack of motivation
- » Inadequate knowledge and competency on the business
- » Fear of failure (afraid of what other people will say)
- » Poor money management
- » Undercapitalization
- » Limited or no team work and sharing with other people

External factors that may have bearing on business failures include the following:³

- » Restrictions and barriers in the business environment
- » Lack of financial support from government or the industry
- » Unusual happenings in the region or the country where the business operates such as events over which the business has no control (e.g., calamities, financial crisis, changing technology)
- » Change of buying patterns
- » Decrease in purchasing power of customers
- » Shortage of raw materials
- » Customers strikes
- » Low price of competitors
- » Product substitution

As an entrepreneur, you must anticipate the business risks and challenges. See Section 2.10 for more details on business risks.

Having a good plan means thinking of your higher purpose and vision of the business, focusing, planning the management of your business resources and finances, and preparing for the internal and external factors of the business. Anyone who wishes to engage in a business must have a good plan in order to: (1) be clear on what you are going into; (2) know about yourself and your business environment; and (3) build more confidence in your business direction.

3 Zahra Arasti, Fahimeh Zandi and Neda Bahmani, "Business failure factors in Iranian SMEs: Do successful and unsuccessful entrepreneurs have different viewpoints?" *Journal of Global Entrepreneurship Research*, vol. 4, no. 10 (December 2014). Available from <http://link.springer.com/article/10.1186/s40497-014-0010-7>; and Mulugeta Chane Wube, "Factors Affecting the Performance of Women Entrepreneurs in Micro and Small Enterprises (The Case of Dessie Town)", August 2010. Available from <http://www.unevoc.unesco.org/e-forum/thesis%20final.pdf>.

2.1. What is a business plan?

A business plan is basically a document that is based on a process of putting in written form what you plan to do with your business, an analysis of factors affecting the business, and how you plan to finance and operate it.⁴ When you plan you prepare for action. Nothing beats preparation in any endeavour.

A business plan tells about the basic details of a business. It describes:

- » Your **business goals** and **ideas**
- » How you understand your **market** and how you plan to **sell your product or service**
- » Your **competition** and business **risks**
- » The design and development of your product and service to **make it better** than your competitors
- » How you will **operate and manage** your business
- » The **financial information** that will make your business run and make it profitable

Business plans are not only required during the concept stage of the business but these must be checked and revised at every stages of the business. Business plans are required when you apply for business loans or when you seek for funding from investors.

From Section 2.3 onwards, the business concepts that are commonly used in a business plan are discussed one at a time with examples and exercises. Suggestions on the use of some ICT applications will also be provided.

4 Investopedia, "What is a Business Plan". Available from <http://www.investopedia.com/terms/b/business-plan.asp>.

2.2. Use of ICTs in business planning

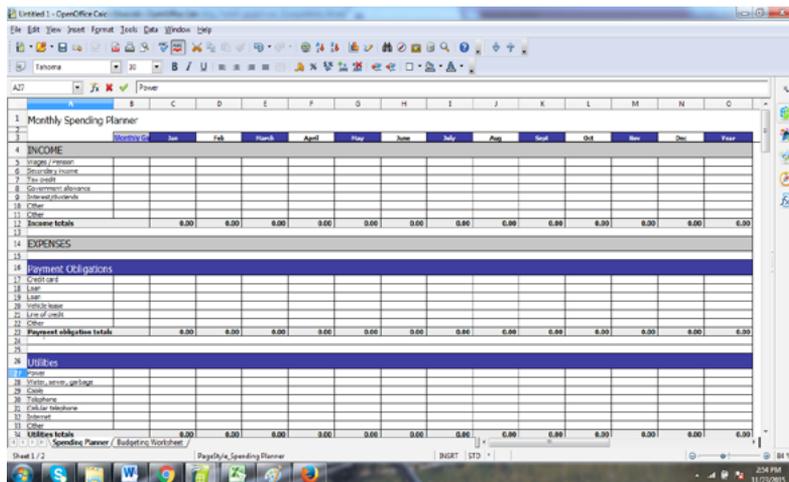
ICTs include devices such as computers and mobile phones that already have program applications and may have the ability to install more programs for use in business. Aside from the devices, there are services such as telecommunications network, the Internet and other related facilities that may be required to experience more benefits of the ICTs in business.

To help you prepare and develop the business plan, the following basic ICT applications can make the planning process easier and contribute to the women entrepreneurs' work-life balance:

- » **Spreadsheet programs.** A spreadsheet is a worksheet. It has rows and columns that help sort and arrange large amounts of data. A computer spreadsheet application or software is similar to a large sheet of columnar accounting paper with columns and rows shown on the computer screen. Unlike the manual use of paper spreadsheets, the electronic spreadsheet can automatically perform calculations, and even create graphical reports, such as charts and graphs.

- » **Google Sheets, Microsoft Excel and OpenOffice Calc** are applications that you can use to create a time plan or make a contact list. An example of a spreadsheet planning application using Microsoft Excel is available from <http://analysistabs.com/excel-templates/project-plan-free-download/>. If Microsoft Office applications are not available in your computer you can use the OpenOffice suites that has the OpenOffice Calc. The screenshot in Figure 2 is an application adapted from <http://www.mymoneycoach.ca/> opened and edited through OpenOffice Calc.

Figure 2 Screenshot of a spreadsheet application

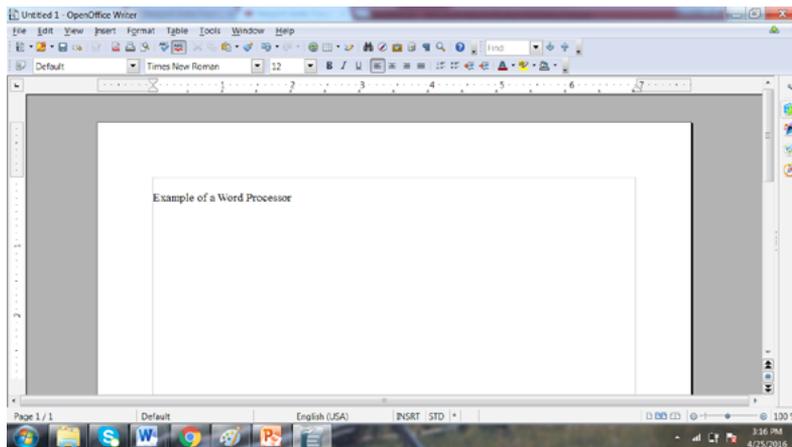


- » **Document or word processor.** Word processors are like your typewriter and your paper, but on the computer it can have more functions and features. Google Docs, Microsoft Word and OpenOffice Writer can help write and communicate the business plan.

A business plan requires documentation. As it develops, writing thoughts and details of a plan helps. Recording thoughts and figures helps you to remember, analyse and edit written information, and facilitate the creation of a project proposal or a feasibility study that is always a requirement when seeking funds from investors or applying for a loan from banks.

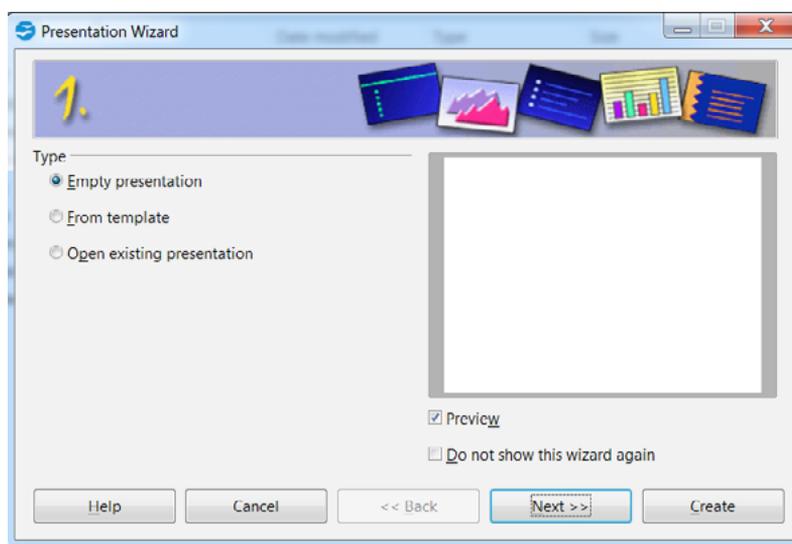
To create documents, such as business letters, and to fill-in forms or report templates, word processing applications such as the OpenOffice Writer are available for free from Apache. com or CNET (http://download.cnet.com/Apache-OpenOffice/3001-18483_4-10263109.html?hIndr=1). See Figure 3 for a screenshot of the OpenOffice Writer.

Figure 3 Screenshot of a word processor application



- » **Presentation slides.** To present your ideas and business plan, you can use Google Slides, Microsoft PowerPoint or OpenOffice Impress. Presentation applications can show visuals like photos, graphs and videos to explain and present ideas to a group of people for purposes of influencing decisions and showing evidence or feasibility of an idea.

Figure 4 Screenshot of a presentation application



- » **Basic visual aids and graphs.** When you make your business plans, sometimes it is helpful to use visuals, graphs and photos that can illustrate your ideas. The computer and mobile phones may already have installed programs that can be used to create visual aids. For example, spreadsheet programs can develop charts and graphs from your data. Creating a business card, for example, can be done using word processors, and other programs such as those of Adobe. Available computer programs such as Paint can capture and edit visuals. Mobile devices may also have pre-installed capacity to capture and edit visuals. For example, some mobile phones have a photo application that allows you to edit photos.
- » **Internet.** It is the global wide area network that connects your computer systems to the World Wide Web. To connect to the Internet you will need to have access to an Internet service provider.
- » **Web browser.** A browser is an application used to access and view websites. Common web browsers include Google Chrome, Microsoft's Internet Explorer, Mozilla Firefox and Apple's Safari.

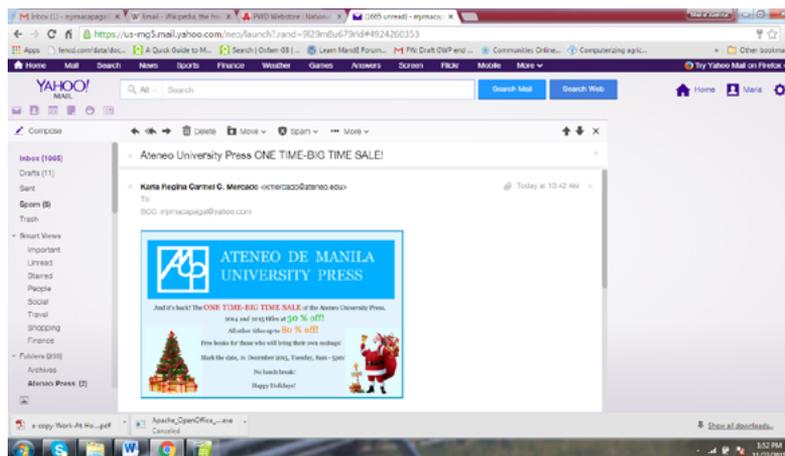
Figure 5 Brands of search engines



Source: <http://imarketdentists.com/dental-online-marketing/dental-seo/>
<http://news.techgenie.com/latest/are-students-web-savvy-or-search-engine-savvy/>
<https://sambridge.wordpress.com/2011/03/18/97/>
<http://www.bravonc.com/web/link-bulding-services/>
<https://www.linkedin.com/pulse/20140926034247-126344576-search-engines-in-world-complete-list-of-all-search-engines-in-world>
http://library.austinncc.edu/help/InfogameDevelopment/searching/2_search-engines.php
<http://www.vc2plus.com/what-are-the-differences-between-major-search-engines/>
<http://azedigital.com/servicios/posicionamiento-en-buscadores-google/>
<http://noworriesit.net/little-search-engines-that-could/>
http://noworriesit.net/little-search-engines-that-could/#.V79A9_197rc
<http://makemoneyonlineareality.com/seol>

- » **Search engines.** A search engine is used to look for information on the Internet. Once you are able to access the Internet through an Internet browser, World Wide Web search engines such as AltaVista, Bing, Excite, Google, Infoseek, Lycos and Yahoo! can be used to search for information needed by your business. You can learn more about the business environment through search and find updates about products and services on the web.
- » **Creating e-mails for communication.** Electronic mail or e-mail is a way of exchanging digital messages from one person with an e-mail address to one or more recipients with e-mail addresses. It operates through the use of the Internet or other computer networks. E-mails are delivered extremely fast when compared to traditional post. Another benefit of using e-mails is the ability to send documents as attachments to the e-mail message.

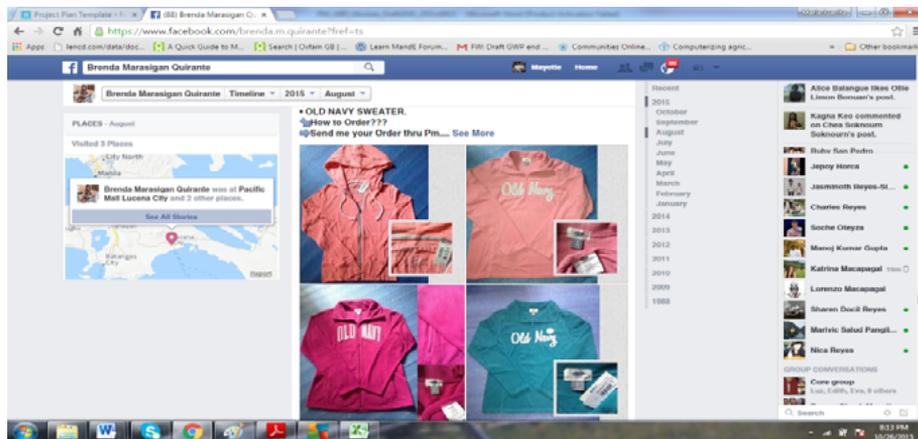
Figure 6 Screenshot of an e-mail message promoting products



Sites where you can create your e-mail accounts may also have other programs where you can save and retrieve files, and have ample storage for your documents. Having access to these sites enables you to use “cloud computing” where you can store and access data and programs through the Internet instead of your personal computer drives. Web-based e-mail services such as Gmail, Outlook.com and Yahoo Mail are examples of cloud computing that allow you to send and receive e-mails from any computer that has an Internet connection.

- » **Social Media.** Social media platforms can provide opportunities for communicating and promoting products. For example, Facebook allows you to upload photos of goods to sell. It also has several useful features including sending personal messages (Messenger) and searching for groups that you can be part of.

Figure 7 Screenshot of a social media site marketing resale products



Social media has become effective platforms for marketing. Popular social media sites used for communication and marketing include:⁵

- » Facebook—the biggest social media site for small and medium sized business advertising—has a total of 1.09 billion daily active users
- » Twitter for short but powerful tweets has 310 million users
- » LinkedIn for professionals has 332 million users
- » Google+ has 300 million users
- » YouTube, a video sharing site has 1 billion users and 6 billion hours of video watched per month
- » Pinterest for sharing images and videos has 100 million users of which 80 per cent are women
- » Instagram for sharing visual stories has over 300 million users
- » Tumblr, a micro blogging platform for sharing photos, videos, audio and text for marketing has 420 million users

⁵ Faiza Sareah, "Interesting Statistics for the Top 10 Social Media Sites", *Small Business Trends*, 26 July 2015. Available from <http://smallbiztrends.com/2015/07/social-media-sites-statistics.html>; and <http://expandedramblings.com/>.

- » Flickr, an image and video hosting social site with 3.5 million images uploaded, has 112 million users
- » Reddit, a social media site where users share content and direct links, has 36 million users

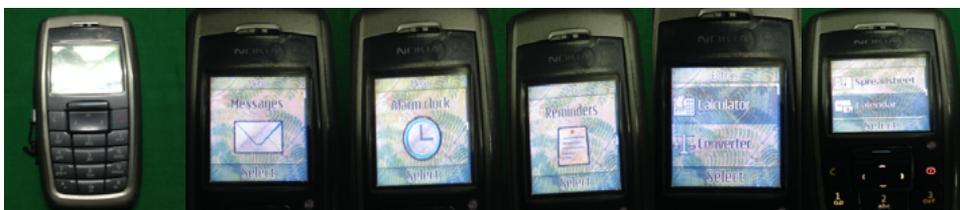
Figure 8 Some popular social media icons



Source: http://www.cowleyweb.com/sites/default/files/styles/lightbox_full/public/sms.png?itok=JuTv9BAO
<http://www.thinkingit.com.au/blog/top-10-social-networking-sites>

- » **Mobile phone applications.** Mobile devices can do a lot of things besides communicating with people. You can find out about your device by exploring the menus on your device. Most mobile phones will have simple business functions (see Figure 9).

Figure 9 Example of mobile phone menus



Functions: SMS or text messaging, time and schedule reminders, calculator and simple spreadsheet

Android phones are now capable of cellular and Internet connection and more advanced mobile computer applications using the Internet. Many mobile phones now have cameras that can easily take photographs and these can be edited, modified, uploaded and sent.

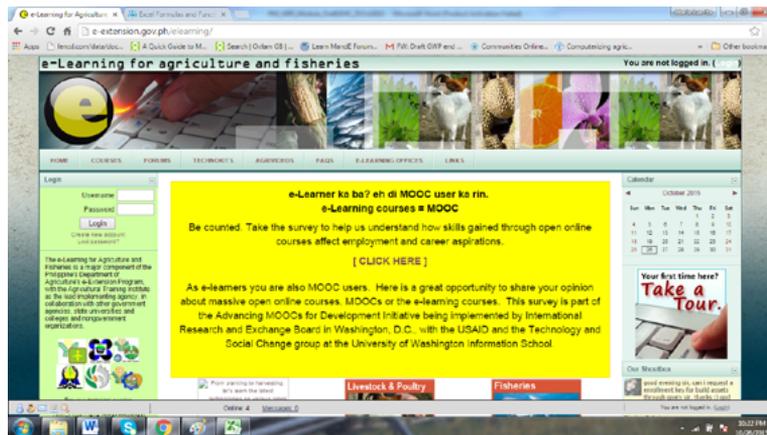
Figure 10 Example of smartphone menus



Source: <http://pinoydroid.net/android-news/install-official-android-403-samsung-galaxy-ii-xxl-pq-firmware/>
<http://androidlooks.com/media/srct/1952/iconia-android-theme-4.264x400.png>

» **Learning sites.** There are several learning sites that you can use and enroll in courses for free. Example of e-learning sites are: Coursera (<http://www.coursera.org>), edX (<http://www.edx.org>), Udacity (<http://www.udacity.com>) and local e-learning sites such as that of Figure 11.

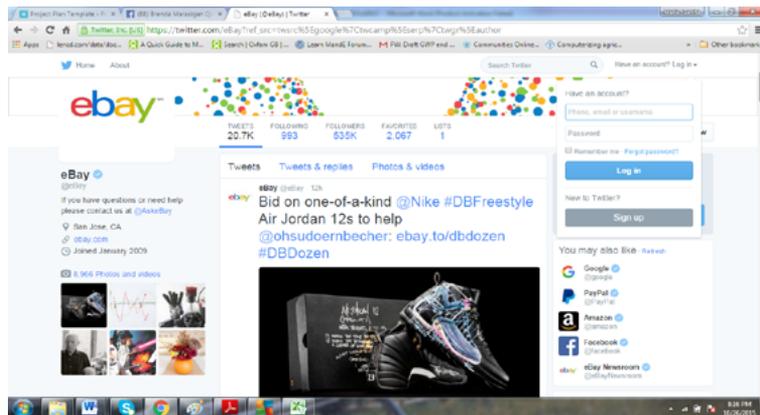
Figure 11 Screenshot of a local e-learning site



Source: Agricultural Training Institute of the Philippines; the URL is: <http://e-extension.gov.ph/elearning/>

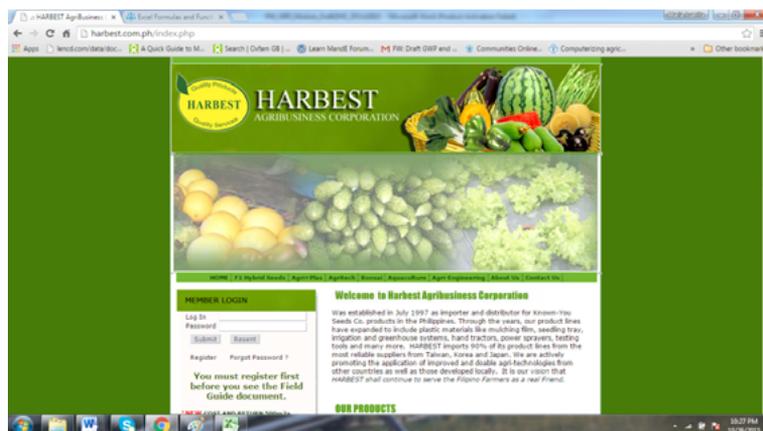
- » **Selling and buying sites.** These sites may be worth exploring for selling your products and services. You can upload photos of your products and your services on these sites once you have registered and agreed to their terms and conditions. Besides Facebook there many other selling and buying sites online such as eBay (Figure 12). Other selling sites include: Amazon marketplace, Artfire, Asos Marketplace, Bidstart, Bonanza, Cqout, Delcampe, Ebid, eCRATER, Etsy, iOffer, Newegg, OnlineAuction.com, RubyLane, Storenev, Swap, Threadflip, TIAS, Tradesy, uBID.com, Webstore, and many more from countries with local e-marketplaces. An example of a local e-marketplace is Harbest in the Philippines (Figure 13).

Figure 12 Screenshot of international e-marketplace (eBay)



Source: Ebay: www.ebay.com

Figure 13 Screenshot of a local e-marketplace (harbest.com.ph)



Source: Harbest Agri Business Corporation: <http://www.harbest.com.ph/>

- » **e-Government services.** Most governments publish information about services they offer to citizens. This often includes information and requirements on taxation and business licensing fees and online business registration. Once you know how to navigate and search for information on the Internet, make sure that you find out more about what government services can be tapped for entrepreneurs' benefits.

From this brief background about business, business plans, and the ICT programs and applications that can support business functions and the creation of plans, you can realize the power of ICTs if you are able to harness this for your businesses. Learning how to use ICTs can be worthwhile. There are agencies and organizations that provide ICT literacy training (see Annex) and more advanced use of ICTs for your businesses. At this point, it is important to remind you to be vigilant in the use of ICTs, especially the Internet. You need to learn about protecting yourself (your identity and important information about yourself) and your business (e.g. your business bank account details), especially when you are online (e.g. when making online payments). Further details about online security are given in *Module W2: Managing a Business Using ICT*.

For women who have limited or no ICT knowledge, seek support from others. Family members who are ICT users can help you. Members of support networks or self-help groups may also be able to help you. If such groups are not available, consider forming your own support group with other women entrepreneurs.

Let us now go through the steps for preparing a business plan.

Figure 16 Filtering business ideas



2.3. Generating business ideas

There are many sources of business ideas. There are great ones just around you. A business idea could be selling a product that you know how to make; it could be acquiring and re-selling a product that was made by other people; it could be based on a talent that you have; it could be a service that you like doing; it could be an interest or a lifelong dream; it could be something that you really believe is needed or one that can solve a problem in your community; it could be something suggested by your family or friends; something that you want to copy or imitate but want to improve on; or something that you observed can help change ways of doing things.

Business ideas can be based on traditional (conventional) trade such as arts and crafts among women in the rural areas, or it can go on the innovative track such as those presented in the earlier discussions. Some businesses ideas can be taken and developed based on the supply chain of a big businesses or industry. Supply chain comprises all the businesses and individual contributors involved in creating a product, from raw materials to finished merchandise. These can include farming, refining, design, manufacturing, packaging and transportation.⁶ You may be able to find business opportunities from a supply chain of a big business or industry. For example in a food and beverage industry, you can provide logistical support transporting products from source to production site, or from production site to place of sales. You may also provide certain merchandises, for example decorative materials for better product presentation or food preservation.

⁶ About.com, "What is Supply Chain Management and What Are Examples In the Retail Industry?" 28 April 2016. Available from http://retailindustry.about.com/od/storeoperations/f/supply_chain_management_retail_frequently_asked_questions_answers.htm.

2.3.1. What are your business ideas?

You may have many business ideas. However, you need to focus and filter the business ideas to something that is doable and feasible based on your current situation.

Do the exercise below to generate and select business ideas.



Something To Do

Brainstorming

There are a variety of techniques to generate business ideas. One of these techniques is called “brainstorming”. Brainstorming uses three steps to produce ideas: (1) listing, (2) screening them by describing and analysing each using guide questions, and (3) shortlisting by choosing the doable ones. You can repeat the activity for the shortlisted ones until you are able to choose the best option for you.

If you find it difficult to do this by yourself, ask friends or relatives to help you.

To facilitators: You may use instructions from International Labour Organization, *Gender and Entrepreneurship Together: GET Ahead for Women in Enterprise – Training Package and Resource Kit* (Bangkok, Berlin and Geneva, 2004). Available from http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_116100.pdf or <http://www.piqueroinc.com/doc/BrainstormHtml.htm>.

Step 1: Expanding and generating ideas

- a. You may already have several ideas. List your business ideas. See Table 1 for a sample list.

Table 1. A list of business ideas

» Food business
» Beauty salon
» Buy and sell
» Community store
» Home service
» Online selling
» Bag making
» Make-up artist
» Coffee shop
» Sell clean water
» Designing
» Bake and sell cupcakes
» Bake and sell cookies
» Hair treatment
» Ladies and children's clothes
» Baby's clothes and accessories

- b. After you have listed your ideas, group the ideas that are similar and related. Based on the list given in Table 1, the ideas that can go together are as follows:

- » Beauty salon, home service, make-up artist, hair treatment
- » Buy and sell, online selling, ladies and children's clothes, baby accessories
- » Buy and sell, community store, sell clean water
- » Food business, bake and sell cupcakes, cookies, coffee shop

c. After the grouping, give a name to each idea, for example:

- » A Home Service Beauty Shop
- » Selling Clothes and Accessories for Ladies and Children Online
- » A Convenience Store in the Community with Clean Water for Sale
- » Food Business - Baking and Selling Cupcakes

d. Next, describe your business idea by asking yourself some basic questions (using the what, where, who, when, why and how questions), such as:

- » What will the business do?
- » What will I produce and sell?
- » Where will the business will be located?
- » When will this business be open or when is it mostly needed by customers?
- » How will I produce, how will I sell, and who will buy it?
- » How many will be produced and sold?
- » What will be the price of the products?
- » How is this product different from others?

Try using a word processor or a spreadsheet to write your ideas. An example is provided in Table 2.

Table 2. Examples of business ideas and their descriptions

Name of the business idea	Description of the business idea
1. A Home Service Beauty Shop	The beauty shop will offer haircut, shampoo, blow dry services, hairstyling and hair treatment. I will use my house as a place to start. I can also offer these services at customers' homes
2. Selling Clothes and Accessories for Ladies and Children Online	I will sell clothes and accessories for ladies and children online through social media and selling sites
3. A Convenience Store in the Community with Clean Water for Sale	The community store will sell basic products and clean water
4. Food Business - Baking and Selling Cupcakes	I will sell cheap wholesale and retail cupcakes to schoolchildren using my house as production site, and I will put up a coffee shop

Using the Internet and a search engine you can get more information about a business product or service. Some video sites can also help you visualize the business.

Step 2: Screening business ideas

Asking questions is a good practice to assess your ideas and plans. To filter the many ideas listed in Step 1, the following questions can be raised for each business idea:

a. **Personal skills:** Do I have enough –

- » **Knowledge**, familiarity and awareness about the business?
- » **Skills** to run the business, which is the ability to produce the business product or deliver the service?
- » **Competencies** or the ability to apply knowledge and skills, and have the behaviour to do the work successfully and efficiently?

To add in this category are questions on:

- » **Time.** Do I have time to work and engage in this business? Many women are multi-tasking because of their different roles. This is one major factor that needs to be looked at during this initial stage. Consider your daily schedule and assess whether you can make time for business. Using a calendar application or creating your own spreadsheet you can analyse the use of your time for your business.
- » **Interest.** Is this something that you really like to do?
- » **Traits of a successful entrepreneur.** Do I have the traits of a successful entrepreneur that I am willing to develop to make this business work?

The traits of successful entrepreneurs (discussed in *Module C2: Enabling Role of ICT for Women Entrepreneurs*) are the following:

- » Information seeking (curious and find answers)
- » Opportunity seeking (see possibilities and take the chance to do something)
- » Persistence (determination to get results)
- » Demand for quality and efficiency (not satisfied with meagre and average results)
- » Goal setting (commitment)
- » Systematic planning

b. **Money:** Do I have funds for capital to start this business, to buy required resources, land or place of distribution, equipment to produce the product and the raw materials? Do I have funds to hire staff that will help in business operation?

c. **Availability of resources:** Are resources such as equipment, raw materials and human resources available?

d. **Demand:** Will people buy the product or service? Is the required product or service needed by customers or clients? Can customers or clients afford it?

e. **Competitors:** Are there other people selling the same product or service? How many?

To help you assess the screening criteria, use the following rating scale (see Table 3):

- » Very high
- » Quite high
- » Quite low
- » Very low
- » None
- » Don't know

Rate each question for each business title by putting a check mark (or by shading) your personal assessment. You can make notes on each aspect of the business question that may be helpful for the third step – the selection process.

You can use a word processor or spreadsheet to create a table like the one in Table 3 to help you analyse and screen each business idea.

Table 3. Screening questions for business ideas and sample answers

Business Idea 1: A Home Service Beauty Shop							
Short Description: The beauty shop will offer haircut, shampoo, blow dry services, hairstyling and hair treatment. I will use my house as a place to start. I can also offer these services at customers' homes							
Questions/Rating	Very high	Quite high	Quite low	Very low	None	Don't know	Notes (strengths, constraints and action plan)
a. Do I have (personal)							
• Knowledge (what the business is all about)							I know but I need to know more
• Skills (learned ability)							I have experience but I need to practise with others more
• Competency (ability and behaviour)							Not knowledgeable about hair treatment
• Traits for a successful entrepreneur							I have to learn and practice more
• Interest							I am very much interested
• Time							I can get help from my relatives to do some of my domestic work
b. Do I have money (capital)							I have savings and I can get help from relatives
c. Are these available? (resources)							
• Raw materials							I need to compare costs of hair products
• Equipment							I have to buy comb, new pair of scissors, blow dryer
• People to hire							I do not need yet but there are some whom I can ask
d. Will people buy my product or service? (demand)							I will have to make a contact list of people and possible customers
e. Are there others who offer the product or service? (competitors)							I will check the neighbourhood who offers the same service
f. Other criteria							
• Health concerns in using products							I will check if there are important health concerns
• Does business require license?							I will check

Table 3. Screening questions for business ideas and sample answers (Continued)

Business Idea 2: Selling Clothes and Accessories for Ladies and Children Online							
Short Description: I will sell clothes and accessories for ladies and children online through social media and selling sites							
Questions/Rating	Very high	Quite high	Quite low	Very low	None	Don't know	Notes (strengths, constraints and action plan)
a. Do I have (personal)							
• Knowledge							I know how it works
• Skills							But have not tried it
• Competency							Have not tried it
• Time							Can manage
• Traits							Need to learn more
• Interest							Having second thoughts, it might bore me
b. Do I have money (capital)							Savings but not enough to buy products for resale
c. Are these available? (resources)							
• Raw materials							I still have to find out what is saleable
• Equipment							I must have my own computer, slow Internet provider
• People to hire							I don't think I need
d. Will people buy my product or service? (demand)							I may ask my sister-in-law
e. Are there others who offer the product or service? (competitors)							Yes, in the selling sites there are many who are selling
f. Other criteria							I still have to find out
• Legal requirements							
• Payment to selling sites							
• Suppliers with good terms							

Table 3. Screening questions for business ideas and sample answers
(Continued)

Business idea 3: A Convenience Store in the Community with Clean Water for Sale							
Description: The community store will sell basic products and clean water							
Questions/Rating	Very high	Quite high	Quite low	Very low	None	Don't know	Notes (strengths, constraints and action plan)
a. Do I have (personal)							
• Knowledge							I see how people sell
• Skills							I can learn easily but I have no experience
• Competency							I can learn easily but I have no experience
• Time							Have time
• Interest							I may get bored
• Traits							Need to learn a lot
b. Do I have money (capital)							Not enough
c. Are these available? (resources)							
• Raw materials							There are many suppliers
• Equipment							There are suppliers
• People to hire							There are people needing work
d. Will people buy my product or service? (demand)							Not sure
e. Are there others who offer the product or service? (competitors)							There are many stores in the community
f. Other criteria							
• Franchise for clean water							I still have to check, especially about franchising, and the food and drug license to sell
• Legal requirements (food and drug license for the water)							

Step 3: Selection process

Once you have screened your ideas, it is time to make a selection. For the purpose of learning in this activity, a case example of Mrs. Kuhn has been developed (see Annex) and she has decided to select “Business Idea 1: A Home Service Beauty Shop” because for this idea she has high ratings on skills, interest, time, money, and availability of resources to start up and operate the business.

In the screening table (Table 3), a column is placed for notes. This is because you need to think through your ratings and what it means to you. In the exercise there were answers and notes written that expressed concerns about limited knowledge, skills and competency in the business. Use this opportunity to note down your constraints and what you plan to do to improve your knowledge, skills and competency. This will contribute to your successful journey as an entrepreneur. Building your business knowledge and skills must become part of your personal plan. **Make notes and create your personal plan alongside the development of your business plan.**

Ratings on knowledge about customers and competitors, on resources that you will use in the business, and on government requirements such as business licensing and health requirements, were included. Having information about these aspects is part of the assessment of the external environment. It is important to **think ahead** and know what is going on outside the business that can likely influence the business you want to pursue.

Figure 17 Filtering business ideas



2.4. Understanding the business environment and opportunities

A business is like a person that lives in a community. It is affected by the external environment. An entrepreneur becomes more effective in generating, testing and planning new business ideas if she understands her internal situation as well as what is happening outside her business. The latter is called the business environment.

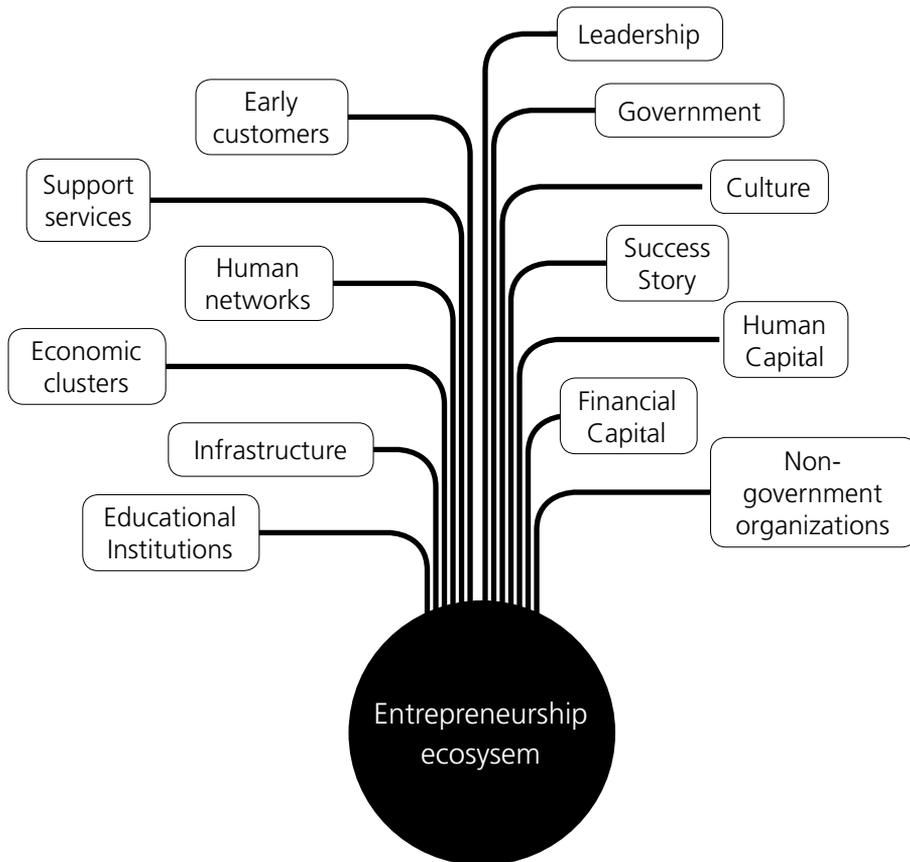
The business environment can also be referred to as the **entrepreneurship ecosystem**. This includes elements outside the individual **entrepreneur** (or groups) that are favourable or unfavourable, and affect the prospects of one's success in the business.

An entrepreneurship ecosystem model⁷ consists of the following:

- » Leadership – business support, legitimacy, advocacy, strategy, urgency
- » Government – policies (rules, regulations, business legal requirements), legislations, support of research and development institutions
- » Culture – risk tolerance, innovation, creativity, experimentation, social status, drive
- » Success stories – visible successes, wealth generation, reputation
- » Human capital – skilled and unskilled, serial entrepreneurs, later generation
- » Financial capital – banks, microfinance institutions, angel investors, friends and family, venture capital funds, public capital markets, debts
- » Non-governmental institutions – entrepreneurship promotion in non-profits, business plan contests, conferences, friendly associations
- » Educational institutions – professional and academic, focused training institutions for entrepreneurs
- » Infrastructure – telecommunications, energy, transportation and logistics
- » Economic clusters – critical masses of companies, country-specific reputation, domain specific skills, technology
- » Human networks – entrepreneurs' network, diaspora network, business corporations
- » Support services – legal, accounting, investment bankers, technical experts, advisers, board members
- » Early customers – early adopters of proof of concept, expertise, reference customers, reviews, distribution channels

⁷ Daniel Isenberg, "Introducing the Entrepreneurship Ecosystem: Four Defining Characteristics", *Forbes*, 25 May 2011. Available from <http://www.forbes.com/sites/danisenberg/2011/05/25/introducing-the-entrepreneurship-ecosystem-four-defining-characteristics/#796e566b38c4>.

Figure 18 The entrepreneurship ecosystem



2.4.1. Environment scan

One of the useful analytical tools to understand one's business environment is the Environment Scan. When you scan the environment it means you need more information and details about your opportunities and constraints. You may need information about people in the neighbourhood, and events and news about the country, about rules and laws, and about new developments that may affect the business. The more updated you are and complete about your information the better for your business.

For example, you learned that there are more youths than adults in your community (demographics). You found out that a new business is coming in the neighbourhood similar to your business (social). You heard from the news broadcast that there is increase in fuel prices (economic), and a new law was enacted about online business registration (government and technology). All these information forms part of the business environment. The entrepreneur must be inquisitive (information seeking) to understand the opportunities and constraints in the business environment.

Scanning the environment must cover the following:

- » Demand – Clients/customers and their needs and wants
- » Supply – Quality and quantity of raw materials
- » Opportunities or costs due to geographic nearness or distance
- » Competitors – present and potential ones
- » The role of business support institutions
- » The role of the community and community institutions
- » The role of networks and contacts

To better understand the above, here are some basic questions using the case example of Mrs. Kuhn who has a business idea to set up a home service beauty shop. **Read the Case of Mrs. Kuhn (Case Study 1) in the Annex.**

Table 4. Environment scan (and sample answers from Mrs. Kuhn's case)

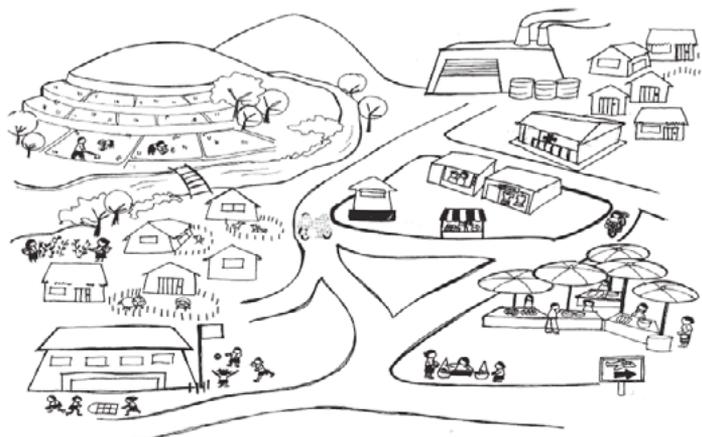
Questions to ask	Sample answers based on the case of Mrs. Kuhn (Case Study 1)	The opportunities and constraints that are revealed by answering the questions
1. How many people are there in the community and nearby? (disaggregate data by gender, age and income levels, if available)	Total population: 50,000 <ul style="list-style-type: none"> • Female: 25,000 • Male: 25,000 • Children (1-9 years old): 12,500 • Youths (10-19): 10,500 • Young adults (20-29): 8,500 • Adults (30-39): 6,500 • Seniors (40 and over): 12,000 	The number of possible customers where targets can be identified
2. What are the most important local institutions? (e.g., government, city and village council halls, schools, health centres, hospitals, banks, post offices, places of worship)	<ul style="list-style-type: none"> • Municipal hall – 1 • Village council halls – 10 • Schools – 14 primary and 4 secondary schools (3 are privately owned) • Health centres – 5 (including a big one at the municipal hall) • Hospital – 1 • Bank – 1 • Place of worship – 1 	Potential places where the business product can be distributed or promoted, and places that can provide support for the business
3. What are the most important production and trade places? (e.g., markets, shops, craft and repair workshops, agricultural plots, factories)	<ul style="list-style-type: none"> • Market - 1 • Shops - 30 or more • Craft and repair workshops • Agricultural plots • Factories 	Possible location of competitors
4. What are the distances by land, water and air, as appropriate? (provide information on the level of access to main roads; distances to nearby villages and cities, and to the capital city; and the level of access to rivers and other waterways, and to airports)	<ul style="list-style-type: none"> • Access to 2 major highways • To city (15 km) • To capital city (50 km) • To domestic airport (25 km) • To international airport (65 km) • Two main connecting roads reach all the feeder roads of the villages • All roads are paved 	To identify and calculate distribution and production costs
5. What are the means of transportation? (e.g., by bus, train, taxi and others)	<ul style="list-style-type: none"> • Buses and small passenger vehicles pass through the major highways • Several small passenger vehicles run by motorcycles are available to the public throughout the day and night 	To identify and calculate distribution and production costs, and to assess customer's convenience in visiting your business location
6. What are the meeting points of women, men and children? (e.g., schools, health centres, places of worship, water wells, washing areas, markets, women's associations, community halls, parks)	<ul style="list-style-type: none"> • Meeting points of women and men are in the market, place of worship, schools and community halls 	For promotion and distribution of products and services

How do you get information required in the environment scan? Asking people who are knowledgeable about the community and the business is one way. You can also make observations, go to the library, draw maps and take photos.

Mapping or drawing a map of your community and the vicinity can help you position your business location in relation to your possible customers and competitors. Drawing a map showing the various business establishments can give you insights on the important places that you can use to promote your business. It can also indicate the opportunities and constraints of your business. Figure 17 shows a community map drawn by hand to indicate the terrain, institutions, road network, business establishments and places where people meet.

How can ICTs help you scan the environment? In the case of Mrs. Kuhn, she used the Internet and searched government websites to find out about the total population in her community. She was also able to find maps using a web program (Google Maps) to show the location of her community, the terrain, and the many roads that connect to it.

Figure 19 Example of a community map



Source: International Labour Organization, *Gender and Entrepreneurship Together: GET Ahead for Women in Enterprise – Training Package and Resource Kit* (Bangkok, Berlin and Geneva, 2004). Available from http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_116100.pdf

2.4.2. Identifying customers and competitors

A business means knowing not only your product but also who will buy your product—your customer. A customer is a person or organization that buys and receives goods or services from your business. A customer is also a consumer. S/he has options and the ability to choose from different product and to buy from other suppliers.⁸ The latter are your competitors.

If you know who your customers are, you can better tailor your product or service to suit them. Knowing your customer allows you to plan how many to create, how many to target, and how to improve your product or service so more customers will be satisfied.

At the same time, a business must know its competition. What is competition? It means your rivals in the business who are offering similar products or services, and are targeting the same customers. With competition, a customer can have many options to choose from. The more competition your product or service has the more you must improve your product or service.

Customers

Customers are of any kind. More skilled entrepreneurs, however, find it more profitable to identify “valuable” customers. The more you know them and their needs, the easier it is to identify opportunities to sell new products and target them with appropriate offers. It is useful to develop a customer profile. Knowing your customer can help you in your planning, better predict what they will buy and help you estimate the volume of your stocks.⁹ It is also useful to keep a record of your customer details and sales to reduce errors and speed of transactions. This way, you can improve customer service and deal better with your customers.

Identifying your valuable customers may not be an easy task. Try the following exercise to help you identify them.



Something To Do

Identify your most valuable customer

On a piece of paper (or using your computer drawing application and word processor) draw a person. It can be as simple as a stick figure. Next, with your ideal customer in mind, begin to fill in details next to the drawing. The point of the exercise is for you to know who your customers really are.

⁸ BusinessDictionary.com, “Customer”. Available from <http://www.businessdictionary.com/definition/customer.html#ixzz42kIR0LnT>.

⁹ Info Entrepreneurs, “Identify and Sell More to Your Most Valuable Customers”. Available from <http://www.infoentrepreneurs.org/en/guides/identify-and-sell-more-to-your-most-valuable-customers/>.

Table 5. Questions to identify the valuable customers

Describe your typical customer	
Population demographics (include relevant factors such as age, gender, educational level, ethnicity and income level)	<p>Is this person:</p> <ul style="list-style-type: none"> • Female or male • Old or young, and in which age group (e.g., 0-15, 16-30, 31-45, 46 and over) • Educated up to primary school, high school or college • Working, and what is her or his annual income range (e.g., USD 1,000-USD 5,000, USD 6,000-USD 10,000, USD 10,000 and over)
Geographical location (where they live)	<p>Does the person live in:</p> <ul style="list-style-type: none"> • City • Suburbs • Your community • Uphill <p>How far do they live from your business place?</p> <ul style="list-style-type: none"> • Your neighbour • 500-900 metres away • 1-2 kilometres away
Psychographic (lifestyle and attitudes)	<p>Is your customer a:</p> <ul style="list-style-type: none"> • Professional • Skilled or unskilled worker • Student • Single or married • Mother with children • Father with children
Buying considerations (primary reasons customers purchase your product/service)	<ul style="list-style-type: none"> • Benefits • Price • Convenience • Service • Status
Other description of customers	<ul style="list-style-type: none"> • Conservative • Mainstream • Practical • Adventurous
Others	<p>Where do they meet socially?</p> <ul style="list-style-type: none"> • Schools • Market • Church

To get to know your customers, you may attend local events, talk to the customers, ask questions, or make a simple survey. By knowing your customers better, you can deliver better results through products, marketing and innovation.¹⁰

Mrs. Kuhn identified her most valuable customer as having the following traits:

- » Married woman and mother with children
- » About 31 to 45 years of age
- » High school and college graduate
- » With family income between USD 6,000 to USD 10,000 a year
- » Lives in the community
- » Buying consideration is price but also convenience and service
- » Mainstream and practical in thinking
- » Likely to socialize at the schools, market and the church

Competitors

Why do you need to know your business competitors? Competitors can give you lessons from the past; you can use the learning from their mistakes to improve your business performance. You can also learn from competitors about what works for them and what their good practices are. Knowing your competitors can also reveal opportunities in the marketplace.¹¹ At the very least, learn from your top three competitors and stay updated on their actions.

So what do you want to know about your competitors?

- » Learn about your competitors' marketing. Identify what their products or services are and know how your product or service compares.
- » Find out why customers prefer them over yours.
- » What are their strengths and weaknesses? Find out what you can add more to your product or service that your competitor cannot do.

¹⁰ Susan Payton, "How to Identify Your Customer", *Growth University*, 15 August 2011. Available from <https://www.futuresimple.com/blog/identify-your-customer/>.

¹¹ Michael R. Hunter, "3 Reasons your Competitors are Your Best Friends". Available from michaelrhunter.com/why-knowing-your-competition-is-important.

- » As a micro or small business owner, you can have lower costs and overhead. In so doing you can use these cost savings to better your products and services for your customers. This gives you an advantage against larger competitors.

Knowing your competitive advantage over your competitors makes you confident about your business. Who could be your competitors? If your business is in your community, it may be easy to count and observe your competitors. But if your business goes beyond your community, you may struggle to identify your competitors.

The questions in Table 6 will help you think about your competitors.

Table 6. Questions to identify competitors (and sample answers from Mrs. Kuhn's case)

Who are your strongest competitors?

For each competitor describe their product/service, image/branding, typical customer, pricing, marketing strategy, and how they differentiate themselves (what is their unique value)? What do they do best? What is their weakness?

Competitor 1: *Patrice Beauty Salon and Spa located along the highway going to the city*

- Product: *High-end beauty products*
- Service: *Hair and nail services including spa*
- Image: *Expensive*
- Typical customer: *Rich and working women*
- Pricing: *Twice as expensive as all other salons in the community*
- Marketing: *Signboard, billboard, use social media*
- Unique value: *Only one in the community offering spa*
- What they do best: *Spa and massage*
- Weakness: *Too expensive for ordinary folks*

Table 6. Questions to identify competitors (and sample answers from Mrs. Kuhn's case) (Continued)

Competitor 2: *Generation X Beauty Salon* located along the highway going to the city

- Product: *Beauty products for young women and men*
- Service: *Hair and nail services, stylish haircuts, hair straightening, hair colouring and treatments*
- Image: *Modern and adventurous, offer Internet services*
- Typical customer: *Young women and men aged 20 to 30*
- Pricing: *Average*
- Marketing: *Signboard, billboard, use social media*
- Unique value: *Stylish and attracts young professionals*
- What they do best: *Stylish haircuts*
- Weakness: *Place is too noisy*

Competitor 3: *JJ Beauty Salon*

- Product: *Use cheap beauty products*
- Service: *Hair and nail services*
- Image: *Ordinary*
- Typical customer: *Working class and market vendors*
- Pricing: *Cheaper than Competitor 2*
- Marketing: *None*
- Unique value: *Cheap pricing*
- What they do best: *Hair trimming*
- Weakness: *Dirty and noisy because of location near the marketplace*

Competitor 4: *Dodang's Home Service* located at another village

- Product: *Household products*
- Service: *Haircut, hair dye and colouring*
- Image: *Always available when needed*
- Typical customer: *Older women in the community*
- Pricing: *Average*
- Marketing: *None*
- Unique value: *Home service and availability to older people*
- What they do best: *Haircut and hair colouring*
- Weakness: *Only one person and there is no shop*

Having this information, Mrs. Kuhn becomes optimistic about her business idea. She is now inclined to pursue her beauty shop but first operating at her home. She is thinking of opening a family-oriented beauty shop where she will cater to the mothers and fathers of her schoolchildren as well as services for senior citizens.

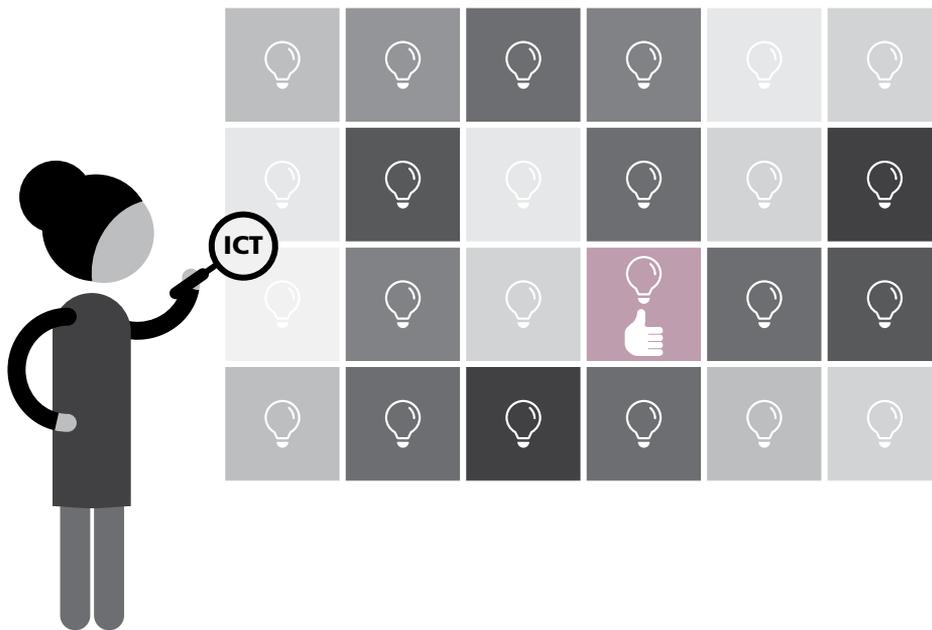
If your business is not similar to the case study, ways to identify customers and competitors is by observation and asking people about this business. Doing a market study will be discussed further in *Module W2: Managing a Business Using ICT*.

How can ICTs help identify business customers and competitors? From search engines such as Google or Bing, you can type in keywords to find competitors in your market. Study their advertising efforts to learn what can be right advertising channels for you. If you are looking for more established competitors, you can use these sources to identify relevant companies:¹²

- » Directories (local business directories)
- » Local chambers of commerce
- » Periodical directories
- » Associations' member directories
- » Buyer/supplier guides
- » Rankings
- » Advertising
- » Press reports
- » Exhibitions and trade fairs
- » Questionnaires
- » Searching on the Internet for similar products or services
- » Information provided by customers
- » Flyers and marketing literature that have been sent to you
- » Searching for existing patented products that are similar to yours
- » Planning applications and building work in progress

¹² MaRS, "How do I identify competitors", 31 March 2014. Available from <https://www.marsdd.com/mars-library/identify-competitors/>; and Info Entrepreneurs, "Understand Your Competitors". Available from <http://www.infoentrepreneurs.org/en/guides/understand-your-competitors/>.

Figure 20 Filtering business ideas



You can stay updated about your competitors and customers using ICT and Internet applications.

- » Google Alert is a free service that will alert you based on keywords you choose and when web pages with those keywords become publicly available and viewable. For example you want to sell “gift baskets”. Any time a new incident of that word shows up on a web page or blog, you get alerted via e-mail. You can go to the site and see what is happening.
- » Regularly check press releases on websites or social media accounts of your competitors and stay updated on their activities. Use social media such as Facebook and Twitter to see how your competitors are doing and learn from their successes and failures.
- » Check popular consumer sites and track competitors for complaints or praises. You can change or improve your business practices to take advantage of these comments.
- » There are competitive intelligence websites that provide information to track your competitors’ performance.¹³

¹³ See <http://www.bizmove.com>.

Additional questions that will give you more information about the business environment include those that describe the situation of the industry. Such questions include the following:

- » What do you think will be your customer's desire and demand for your product/service five years from now? Will their willingness to pay for your product/service change over the next five years? Why?
- » What are the trends or developments that will affect demand?
- » What trends and developments will affect the way you conduct your business?
- » How do socio-economic conditions affect the demand for your type of product or service? For instance, the income of population will affect the price of the product/service.

To answer these questions, consider the demographic (profile of customers), economic (income and country economy), regulatory (laws, rules and policies) and technological changes, and the global business trends that may affect demand and the way you conduct your business.

The growing business environment has given rise to different models of business. One popular business model is "business franchising". It is an investment to an already existing business where you use the business brand, the method of doing the business, and its proven marketing and distribution system. As a franchisee you become part of the business network selling the same product brand with other franchisees that you do not regard as competitors but team members of the brand product network. This usually requires high investment costs and payment of regular royalty to the franchisor.

2.4.3. Creating competitive advantage and unique value for your business

To know your competitive advantage is to figure out your strength and what makes your business different from others.¹⁴ If you believe that you have something valuable to offer declare it as what makes your business unique. Write down how your product or service is able to provide solution to your customer's problems or how you are able to improve their situation. Identify what specific benefits in quantifiable terms will your customers obtain from your product or service. Consider asking the following questions for you to determine your product or service unique value:

¹⁴ Entrepreneur.com, "How to Identify Your Competitive Strengths for Your Business Plan", 8 January 2015. Available from <https://www.entrepreneur.com/article/239414>.

- » With the product or service that you are selling, what will be the customers' benefit when they use it?
- » Who will be your target customer for this product or service?
- » What makes your product or service unique and different?
- » Is your value proposition clear and easy to understand?
- » How different or better is your product or service from your competitors?

How can ICTs help? Browse the Internet and see how your competitors state their value proposition. Visit online selling and buying sites to see how sellers describe their product uniqueness. In finding out your unique value proposition, you can get ideas from similar business products in other places.

In the case of Mrs. Kuhn she answered the following questions above as follows:

- » She identified the benefits of her service product as: family-oriented, hygienic haircuts and related beauty services where mothers, fathers, children and their grandparents can enjoy while in the comfort of their homes at reasonable prices. Home service can be availed of at very low additional costs.
- » The home-based and home-service beauty shop is different in terms of price and quality of service. It is family-oriented and hygienic. Her services can also address the mobility problem of women and senior citizens (grandparents).

Figure 21 Value propositioning

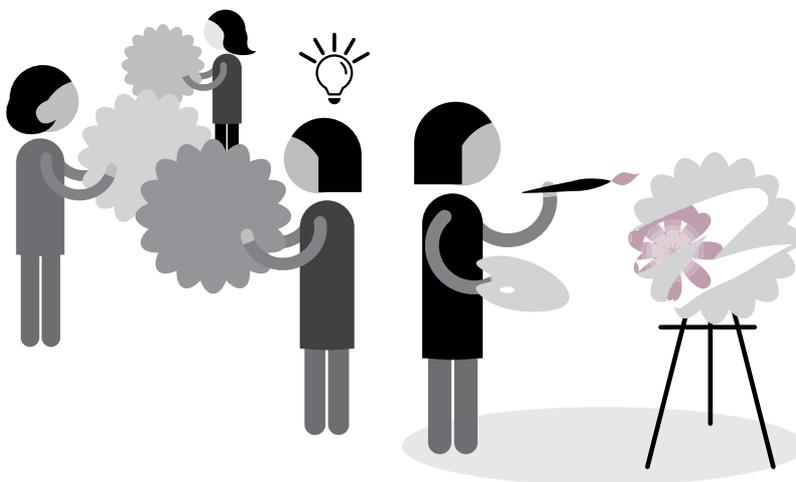


Table 7. SCAMPER Model process definition

Factor for Change	Change Process
Substitution	Replace one or several components of the product
Combination	Merge one or several elements of the product
Amplify	Enlarge or make the product more sophisticated
Minimize	Make the product more simple
Put to other use	Use the product for different purpose
Eliminate	Delete unnecessary parts
Rearrange	Revise the order of the elements contained in the product

2.5. Business goals

The Women's Entrepreneurship Development Programme of the International Labour Organization suggested the SCAMPER Model¹⁵ to help identify the unique value of a product. Product ideas can be an imitation but also an improvement of an item or service. SCAMPER stands for: Substitution, Combination, Amplify, Minimize, Put to other use, Eliminate and Rearrange factors to come up with a unique product. From this model you can come up with new options, with identified costs and benefits.

All of us want to be "successful". Can you picture yourself being successful? Dreams are your vision of the future-what you want to become. Goals are the big steps that you take to reach your vision. For instance, your goal is to become a successful entrepreneur. To become this kind of person, you must have a successful business. You set targets for your business and make plans of action-the small steps-to achieve targets that brings you closer to realizing your goals and vision.

To identify your goals, you need to analyse your current situation. You want to change the situation, turn it around to make things a little better in the near future.

Let us take for example the case of Mrs. Kuhn. She dreams for her children. She desires that in the future she can help them get college degrees and later become successful

¹⁵ International Labour Organization, *Gender and Entrepreneurship Together: GET Ahead for Women in Enterprise – Training Package and Resource Kit* (Bangkok, Berlin and Geneva, 2004). Available from http://www.ilo.org/wcmsp5/groups/public/-ed_emp/-emp_ent/documents/publication/wcms_116100.pdf.

professionals. She also wants to achieve something herself that she can be proud of. She feels that in her current situation the family income is no longer enough. She wants to change the situation by engaging in a business that can earn and augment the family income. Her goal is to have a business that will earn additional money. She, however, has to make her goals clear and SMART.

A goal must be SMART - Specific, Measurable, Attainable, Realistic and Time-Bound. The same for the objectives of action plans. These must be clearly setting specific, measurable, attainable, realistic and time-bound targets for accomplishment. Entrepreneurs must set these goals and specific plans of action that are outlined in the business plans.

Table 8 shows an example of a SMART goal.

Table 8. Example of a SMART goal

SMART	Description	Goal Example
S – Specific	It is detailed and precise	To increase the number of female customers aged 21 to 30 years old
M – Measurable	It is quantifiable	To increase the number of female customers aged 21 to 30 years old by 100%
A – Attainable	It is doable and attainable	To increase the number of female customers aged 21 to 30 years old by 70%
R – Realistic	It is based on real life	To increase the number of female customers aged 21 to 30 years old by 50%
T – Time-bound	It is within a time frame	To increase the number of female customers aged 21 to 30 years old by 50% in 6 months

Making SMART goals can also apply to your personal life. For instance, if your ultimate goal is to become a successful entrepreneur you can analyse your current situation and think of the constraints and obstacles that are hindering you from becoming successful. If having limited knowledge and skills on the use of ICT applications is a constraint that you want to change, you can create a SMART goal for developing your ICT knowledge and skills, list the actions that you will take to achieve this goal and measure your progress over time.

Since many entrepreneurs go into business for financial security, consider for example, how much income you want to make during your first few year of operation. Being

realistic means you must consider many aspects of your life such as your lifestyle, hours of domestic work versus business work, spending patterns, level of investment, where you will work and with whom. In setting up your business goals, be honest when considering your strengths and weaknesses. Your business goals must be connected with your personal goals.



Something To Do

Visualizing business dreams and goals

Let us dream for our business by answering the following questions.

- What is the business that you really want to pursue?
- What is your dream for this business?
- When do you want your dream to happen?
- Where do you want this business established?
- Estimate how much money you will need to realize the dream.
- How much money will you want to earn from this business on a monthly (and yearly) basis?
- What must you have to reach goal?
- What must you do to reach your goal?

Table 9 answers these questions using Mrs. Kuhn's case (Case Study 1).

Table 9. Details of Mrs. Kuhn’s business dream and vision

Business name	Type of business	Dream for the business	When and where it will happen	Dream goal: Income per month	Things to have to reach goal	Things to do to reach dream
DK Home Service Beauty Shop	Service – single proprietor	Become the most sought-after beauty shop and home service in the community	2018 Home-based in the community	USD 2,400.00	<ul style="list-style-type: none"> • Capital • Business plan • Staff • Equipment • Building • Organized shop 	<ul style="list-style-type: none"> • Save and apply for loan for capital • Study sought-after services • Develop pricing and marketing plan • List possible customers • Find people who will help in marketing • Purchase equipment • Start small home shop and service business
<p>Business goal: To become the most sought-after family-oriented beauty shop and home service in the community earning USD 2,400 per month by the third year in business.</p>						

So how did we come up with Mrs. Kuhn’s goal statement? It comes from the information that was gathered from the answers and from the previous exercises.

The gross income was computed as follows: The target average number of customers per day, per month, and per year multiplied by the average price of the product (services). This yields the daily, monthly, and yearly sales projection.

2.6. Identifying business resources

2.6.1. Business infrastructure

What are the equipment and infrastructure that a business requires? Depending on your business, here is a list of possible infrastructure that your business may need:

- » **Buildings and facilities** – a shop front, workshop, wash bay, showroom, kitchen, storage space, bathroom, manufacturing facilities, refrigeration
- » **Equipment** – tools, cash registers, office furniture, hoists, ladders, work benches
- » **Machinery** – plant machinery, construction machinery, and manufacturing or production machinery.
- » **Information technology** – computer hardware and software applications, specialist programs, databases, telecommunications service providers for your mobile phone and Internet services
- » **Stock, raw materials and supplies** – shop inventory, manufacturing materials, stationary, building supplies, fuel
- » **Vehicles** – delivery truck, trailer, car for visiting clients, van, tractor.

Infrastructure, equipment, and stock of raw materials and supplies form part of the business capital. Besides these assets, capital includes the cash and other assets owned by the business.

What are the business infrastructures required by Mrs. Kuhn's beauty salon business? Table 10 shows a list of infrastructure, equipment and supplies that her business requires. In addition to listing down her needs, she made a checklist to show what she needs to buy now and later, and the cost estimate of the equipment and supplies.

Table 10. Mrs. Kuhn's equipment checklist

Equipment and supplies list	To buy	Not yet needed	Cost estimate (USD)	Notes (quantity, mode of buying, when to buy)
Brushes and combs				
Square brush	X		10	
Tail-end comb	X		5	
Wide-toothed comb	X		5	5 Now
Round brush	X		10	2 Now
Vent brush	X		10	2 Now
Paddle brush	X		10	
Smoothing brush	X		10	
Thermal brush	X		10	
Teasing comb	X		5	2 Now
Wide-tooth brush	X		10	2 Now
Rat-tail comb	X		5	2 Now
Two-tail comb	X		5	2 Now
Regular brush and comb	X		10	2 Now
Pitch fork	X		5	
Rake hair brush and comb	X		20	2 Now
Grooming equipment				
Trimming scissor	X		100	2 Now
Barber scissor	X		100	2 Now
Hair clipper	X		100	2 Now
Hairstyling tools				
Hair straightener	X		100	1
Blow dryer	X		100	2
Hair curler	X		100	2
Ridged curling iron	X		100	1
Curling iron	X		100	1
Big barrel curler	X		50	1
Curling comb hair dryer	X		100	1
Hot roller		X		
Multi-styling kit		X		
Other supplies				
Hair clip	X		20	Variety In bulk
Mixing bowl	X		20	2
Apron	X		10	2
Water sprayer	X		10	2

Table 10. Mrs. Kuhn's equipment checklist (Continued)

Equipment and supplies list	To buy	Not yet needed	Cost estimate (USD)	Notes (quantity, mode of buying, when to buy)
Applicator brusher	X		20	1
Paper towel	X		10	In bulk
Towel	X		100	2 dozens
Handheld mirror	X		20	2
Geyser		X		
Rubber glove	X		10	
Plastic glove	X		10	
Hair steamer/Hair processor		X		
Hood dryer		X		
Shampoo bowl	X		100	1
Professional haircare products				
Shampoo	X		100	(1 month use)
Conditioner (1 month)	X		100	(1 month use)
Hair straightening and perming kit	X		100	(1 month use)
Styling gel	X		100	(1 month use)
Serum	X		100	(1 month use)
Mousse	X		100	(1 month use)
Hair colour	X		100	(1 month use)
Hair dye	X		100	(1 month use)
Hair extension		X		
Wig		X		
Furniture				
Hairstyling chair (variety of colours)	X		200	Check used ones of good condition
Hairstyling station: Mirror, storage drawer, tool compartment or tool holder, electrical outlet	X		300	Check used ones of good condition
Cart and trolley: Allows hairdressers to have all tools right next to them while attending to a customer; easy storage, portability, and helps organize needed supplies	X		200	Check used ones of good condition
Reception desk		X		
Waiting area chair	X		100	Check used ones of good condition

How can ICTs help in identifying equipment and costs? The Internet and search engines can help you find and compare information. With a clear list of the resources needed to operate your business, begin to think about how much it will all cost to put up the business; and consider the scope of managing the assets and the costs efficiently.¹⁶

2.6.2. Human resources

The number of persons that you need to hire in your business will depend on whether you want to pursue the business on a full-time or part-time basis, the activities required in your business operations, the processes for production and distribution, and your marketing activities. While it is ideal to have all the human resources that can help you run your business, you must be realistic since this has a large bearing on the financial side of the business. It is important to identify who are the people that you cannot do without. Will you need help in the following?

- » Setting up of the business – Will you need a lawyer or an accountant that you can pay on a part-time basis?
- » Setting up of the business infrastructure –
 - o Will you need engineers, architects and construction workers for the infrastructure set up?
 - o Will you need to procure services for technology that you will need only for a certain period of time?
 - o Will you need a maintenance person?
- » Product development – Will you need people or services to do research and development for your product for a period of time?
- » Business operations – Will you need people when you manufacture a product or are services required for the business to operate daily?
- » Sales and distribution – Will you need people and services to sell and distribute the product on a full-time or part-time basis?
- » Administration and finance – Will you need people to document and record income and expenses on a full-time or part-time basis?

¹⁶ See <http://www.smallbusinessbuilding.com.au/learn-with-an-online-course/course-certificate-iii-micro-business-operations/determine-resource-requirements-for-a-micro-business/identifying-resource-requirements/>.

How much time should you devote in the business? Will you be working full-time or part-time? How much is the cost if these are hired on full-time or part-time basis?

Mrs. Kuhn prepared a checklist (Table 11) and estimated her human resource requirements, identifying the position, whether full-time or part-time, the cost, and when these resources are needed.

Table 11. Example of a human resources checklist

Business activity	Human resource	Full-time	Part-time	Cost (USD)	When needed
Setting up of the business	<ul style="list-style-type: none"> • Lawyer • Accountant 		✓	500/month 500/month	First month of start-up
Setting up of the business infrastructure	<ul style="list-style-type: none"> • Engineers • Architects • Construction workers • Technicians • Maintenance 		✓	1,000/month	First month of start-up only
Product development	<ul style="list-style-type: none"> • Researcher or trainer 	X	X		Not yet
Business operations	<ul style="list-style-type: none"> • Workers 	✓ 1	✓ 2	10/day	Second month
Sales and distribution	<ul style="list-style-type: none"> • Sales 		✓ 1	10/day	Third month
Administration and finance	<ul style="list-style-type: none"> • Manager • Bookkeeper 	✓	✓	20/day 10/day	Fourth month
Others	<ul style="list-style-type: none"> • Customer service 	X	X		Not yet

Human resources in business operations and administration form part of the business expenditures. You must include yourself in the list of human resources. Estimating the cost of human resources in all business activities is vital in business financial planning.

How can ICTs help in human resource planning? Using a spreadsheet you can calculate and estimate the number of persons, the number of days or hours, and cost of wages and salaries you will require, based on a work schedule and calendar.

The Internet can also help in the recruitment and hiring process. You can find out about current salaries and professional fees, and communicate with professionals about the work they can do for you.

What about time management? Being one of the main resources of your enterprise, you must be able to identify how much time you can devote to your business. You can use a web-based calendar scheduler or download various applications to help you manage your time.

2.7. Developing the business financial plan

Financial data is always at the back of the business plan, but it is just as important as the description of the business concept and management. Creating charts, tables, formulas and spreadsheets in the financial section of the business plan shows the condition of the business. You can gather information and use spreadsheets or a financial program to create your spreadsheets. You will also find them available in most business plan software; these programs also do the calculations.

A financial plan provides an estimate projection of your business sales performance and expenditures. Entrepreneurs can benefit from taking the time to do at least a yearly financial plan. The plan helps a small business owner to better manage cash flow by preparing for situations that could result in cash shortages, such as seasonal fluctuations in revenues. The financial plan is normally prepared as part of an overall business planning process, during which goals are set and strategies are chosen to help the business grow in the upcoming year.¹⁷

To come up with a realistic financial plan, **first** think of how much you will spend for your **start-up activities**. This will include: equipment, furniture, supplies, the salaries of people who will operate the business (including you); purchases of raw materials or supplies (initial inventory), signage, operating capital, and the legal requirements such as business registration for licenses and tax requirements.

You can find out about the latter from government agencies that take care of trade and industry registration. If your business is on food it may require another registration for food and drug. There are some private companies who can facilitate business registration

¹⁷ Brian Hill, "Developing a Financial Plan For a Small Business". Available from <http://smallbusiness.chron.com/developing-financial-plan-small-business-4714.html>.

and licenses for a fee. But of course you have the option to do this yourself so you will know what government requires from entrepreneurs or small business owners.

As part of the start-up cost, estimate how much you will spend on the business infrastructure—for example, on renovation of the shop or the space that you will occupy whether this is in your home or in another facility for rent. An example is shown in Table 12.

Table 12. Sample list of start-up costs

Start-up cost items	Cost (USD)
Renovation	350
Equipment	600
Furniture	500
License, permits	350
Signage	100
Initial cash for:	(1,300)
• Production	800
• Administration	250
• Marketing	250

Then think of marketing activities such as flyers, tarpaulins and signage? Estimate the cost for your marketing activities. Table 13 shows a simple example.

Table 13. Sample list of marketing costs

Marketing cost items	Monthly cost (USD)	Yearly cost (USD)
Flyers	10	120
Tarpaulin	100	1,200
Website hosting	10	120
Subtotal	120	1,440

Second, make an estimation of your income (see Table 14). Estimate how many sales you will make in a day, in a month, or in a year. How many customers do you project to have? What will be the prices of your products or services? Compute month by month your income projections using the assumptions (sales, customers, prices, products or services). Make your estimates realistic and attainable.

Table 14. Sample of sales projection

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Sales Projection														
2															
3	Product/Monthly Sales	Price	M1	M2	M3	M4	M5	M5	M7	M8	M9	M10	M11	M12	TOTAL
4															
5	Product 1	5	125	150	225	250	300	350	400	250	300	350	400	500	3600
6	Quantity		25	30	45	50	60	70	80	50	60	70	80	100	720
7															

Third, estimate how much you will spend on production or service delivery, and calculate its cost per item (see Table 15).

Table 15. Sample computation of cost for a product or service

Cost Items	Cost (USD)
Raw material	320
Cost of finished products	450
Total	770
Divide by:	
Number of units produced	125
Cost of unit product	6.16

Fourth, estimate general and administrative expenses such as rent, utilities, insurance and recurring legal (tax and licenses) expenses (see Table 16).

Table 16. Sample estimate of administrative expenses

Cost Items	Monthly (USD)	Yearly (USD)	Cost Type
Rent	85	1,020	Fixed
Utilities	45	540	Fixed
Insurance			Fixed
• Business	20	240	
• Health	20	240	
Taxes	20	240	Fixed
Internet	30	360	Fixed
Supplies	10	120	Variable
Shipping or transport	25	300	Variable
Subtotal	255	3,060	

Fifth prepare an expense projection for your human resource requirements (see Table 17). Include an estimation of additional work support. Make sure you include yourself (your salary) in the estimation.

Table 17. Sample cost estimate of required human resources

Human resource	Qty.	Monthly salary	No. of days	M1	M2	M3	M4	M5	M6	Annual cost (USD)
<i>Full-time operations</i>										
• Manager	1	200	21	200	200	200	200	200	200	2,400
• Production staff	1	100	21	100	100	100	100	100	100	1,200
<i>Administration</i>										
• Bookkeeper	1	50	21	50	50	50	50	50	50	600
• Marketing and sales	1	70	21	70	70	70	70	70	70	840
<i>Part-time staff</i>										
• Worker (per unit)	1	5	12	50	50	50	50	50	50	600
• Product developer	1	50	21	50	50	50	50	50	50	600
• Maintenance (daily rate)	1	3	10	30	30	30	30	30	30	360
<i>Professionals</i>										
• Lawyer/Accountant when needed (hourly rate)	1	20	½	100	100	100	100	100	100	1,200
Total cost	8			650	650	650	650	650	650	7,800

Sixth, estimate if you will have costs for any improvements in your business such as purchase of new equipment, repairs and renovations.

Finally review and look at the totals and see if your projection is realistic and then finalize.

Table 18 shows how Mrs. Kuhn's estimation can look like.

Table 18. Sample of total cost estimates

Start-up (1 month)	Costs (USD)		Total	
Renovation	1,000.00			
Equipment	600.00			
Furniture	500.00			
License, permits, registration	350.00			
Signage	100.00			
Initial cash for:				
• Production	800.00			
• Administration	1,670.00			
• Marketing	250.00			
Total start-up cost			5,270	
Production	Monthly		Yearly	Type
Production materials and supplies	320		3,840	Variable
Production/People	230		2,760	Fixed
Subtotal		550	6,600	
Administration	Monthly		Yearly	
Personnel	420		5040	
Rent	80		960	Fixed
Utilities	45		540	Fixed
Insurance				
• Business	20		240	Fixed
• Health	20		240	Fixed
Taxes	20		240	Fixed
Internet	30		360	Fixed
Supplies	10		120	Variable
Shipping or transport	25		300	Variable
Subtotal		670	8,040	
Marketing	Monthly		Yearly	
Supplies	10		120	Variable
Product training	120		1440	Fixed
Research and development (6 months)	120		720	Variable
Web hosting	10		120	Fixed
Subtotal		250	2,280.00	
Total cost with start-up cost			<u>22,190.00</u>	
Total cost for regular year		1,470	<u>16,920.00</u>	

The identification of cost per item in the third step was purposely written to explain the other financial concepts such as fixed costs, variable costs and break-even point.

- » **Fixed costs** refer to costs and expenses that do not vary even if the volume of sales and production change. Rent, utilities, Internet service and insurance are examples of fixed costs.
- » **Variable costs** refer to costs that change depending on sales and production. Examples include the cost of production, and the raw materials and supplies used in producing a product or delivering a service.
- » **Break-even point** is the computation of the start-up costs, fixed costs, variable costs, and the sales price of a product or service to find out the number of units to sell each month to cover monthly costs.

Once you have started your business operations, you can compare the actual results with the initial financial plan. Find out the shortfalls and see if there were critical information that you missed. You may consider cutting costs if the income is below the estimation.

Aside from the financial plan, at certain periods of time or at the end of the year an entrepreneur must prepare business financial statements, although these are not required yet for businesses that are still starting. It will be important to know at the onset the importance of preparing financial statements on a quarterly or yearly basis, which provides a report about the business performance. These financial statements mostly come in threes: income statement, balance sheet, and cash flow statement.

- » **Income statement** is an income, profit and expense summary of the business usually prepared annually. The computation gives you an idea about your business performance.
- » **Balance sheet** is a computation and statement of the business' assets, liabilities and capital. It provides details on the balance of income and expenditures at a particular point in time.
- » **Cash flow statement** reports the actual cash generated or received and used at a certain period of time. You can prepare the statement on a monthly, quarterly or annual basis, which is useful for an entrepreneur. This gives you an idea of the money that comes in and out of the business.

Taken together these statements provide an accurate picture of a business' current value, plus its ability to pay its bills today and earn a profit going forward. This information is very important for the preparation of future business plans. An example of a financial plan is shown in Table 19.

Table 19. Example of a financial plan

Start-up requirements	(USD)
Start-up expenses	2,000.00
Rent deposit	2,000.00
Other	
Total start-up expenses	
Start-up assets	
Cash required	1,000.00
Other current assets	500.00
Long-term assets	15,000.00
Total assets	16,500.00
Total requirements	18,500.00
Start-up funding	
Start-up expenses to fund	2000.00
Start-up assets to fund	16,500.00
Total funding required	18,500.00
Assets	
Non-cash assets from start-up	16,500.00
Cash requirement start-up	1,000.00
Additional cash raised	0
Cash balance on starting date	1,000.00
Total assets	18,500.00
Liabilities and capital	
Liabilities	
Current borrowing	0
Long-term liabilities	16,500.00
Accounts payable (outstanding bills)	0
Other current liabilities (interest free)	0
Total liabilities	16,500.00
Capital	
Planned investment	
Owner	1,000.00
Investor	0
Additional investment requirement	0
Total planned investment	1000.00
Loss at start-up (start-up expenses)	(2,000.00)
Total capital	
Total capital and liabilities	18,500.00
Total funding	18,500.00

Most governments require the above financial reporting from business owners, which are submitted when you pay taxes. If you are applying for loans, aside from the financial statements mentioned, you may be asked to provide personal financial statements if you are guaranteeing loans yourself. Understanding financial requirements and, if possible, mastering them, will help you run your business more smoothly.¹⁸

2.8. Schedule of business start-up activities and regular activities

A good business plan must have a time frame of major projects and regular business activities. Having a calendar of these activities and estimation of the number of hours and days that these activities are completed helps develop efficient delivery of work outputs.

How can ICTs help? As you can see in the earlier discussions, spreadsheet programs are very helpful in preparing business financial plans and financial reports. Using a spreadsheet you can also create schedules and compute the number of hours and days required to do a work activity or cluster of work activities. Many entrepreneurs usually prepare these statements using spreadsheet programs like GNU Cash that can be downloaded for free, or QuickBooks that can be purchased online or at a computer store. Before purchasing these programs compare prices and benefits of the software program to your business.

2.9. Sources of capital

To provide your business initial money that you will use to finance business start-ups, you will need to make a list of sources that you can tap when needed. The following are questions to think about:

- » Do you have savings that you can use?
- » Are there members in your family or friends who can lend you money? Discuss with your family members and friends about the possibility of helping you finance your business.
- » Are you aware of programmes of government, microfinance institutions, non-governmental organizations and bank programmes that can lend funds at low interest rates?

¹⁸ See <http://www.entrepreneur.com/article/241077>.

- » Are there non-financial institutions e.g. angel funders, self-help groups, multi-purpose or lending cooperatives, international groups or crowdfunding sources that you can consider?

Study and learn more about these sources of funds and weigh their advantages and disadvantages.

How can ICTs help in finding information on financial institutions and sources of funds? You can search the Internet for information on banks and other lending companies like microfinance institutions in your country. Their websites can provide information on lending requirements, application forms, interest rates, and terms and conditions and sanctions (should you delay payment of interests, close your account in advance or if you are unable to meet your obligations).

Microfinance institutions are organizations that offer financial services to low-income populations. Almost all give loans to their members, and many offer insurance, deposit and other services. These institutions could be an extension of a bank, government agency or programmes created by non-governmental organizations. Many of these institutions provide support to women for livelihood programmes and similar socio-economic ventures like the self-help groups. Look for these kinds of organizations in your country that could readily provide support to women entrepreneurs.

Have you heard of **crowdfunding**? It is a method of raising capital through a group of friends, family, customers and individual investors. Funds no matter how small are pooled to make up the needed amount for business start-ups. Some operate like a donation, others expect some sort of a “reward” like a product sample, but some expect to get back their money or expect to be an investor in your business. These are commonly mediated through online groups and social media. Do a web search on “crowdfunding” to find out more.

2.10. Anticipating challenges

After going through the exercises you may have realized that establishing a business is quite a challenging task. But just like any work there are always challenges along the way. These challenges can be called risks or unintended consequences.

Understanding global and business risks

All businesses face risks that could result in loss of income and assets. In business, risks must be managed. Risk management is defined as “an organized means of identifying and measuring risk and developing, managing and selecting options for managing these risks.” Furthermore, “proper risk management implies control of possible future events, and is proactive rather than reactive. Proper risk management will reduce not only the likelihood of an event occurring, but also the magnitude of its impact.”¹⁹

Key types of risk in businesses include:

- » **Financial risk** – Money invested in a business could be lost, or returns could be less than expected or less than what another investment would offer. Any business can face financial risks. Mitigation include sound financial planning, reporting, and monitoring information that can pre-warn or caution you from making wrong decisions and further financial losses. Having bookkeepers and financial professionals, if the business can afford it, would be very valuable for the business operations. ICT program applications can record and keep track of financial documents and performances.
- » **Currency (or foreign exchange) risk** – An investment or stream of payments may lose value due to currency fluctuations or devaluation. Some raw materials or goods required to produce a product can be dependent on importation. If the latter, currency exchange values have to be monitored continuously. Real time and online information from reliable Internet sources can provide updated information on foreign exchange and currency values.
- » **Credit risk** – You may not be able to pay interest and principal amount on time to a lending company or money lender for goods sold on credit or for money loaned. The inability to pay on time can result in a tainted record should you want to apply for another credit or loan in the future. If you provide lending facility, you face the risk

¹⁹ Tom Gorman, “Finance 101: Understanding Risk Management”, *Idiot’s Guides*, undated. Available from <http://www.idiotsguides.com/business-and-law/general-business/finance-101-understanding-risk-management/>.

of not being paid back by your customers. Screening customers on their status and credit standing is important. Besides conducting credit investigations, background assessment can be made using information from Internet sources.

- » **Security risk** – You can face the threat of fraud, theft, embezzlement, or misdirection of funds, goods or other business assets. You must be able to assess and identify the security risks within your internal and external environment. Being updated on business news and trends can be supported by information drawn from reliable and reputable Internet sources.
- » **Property risk** – your property or business assets could be destroyed by fire, flood, earthquake, storms, war, terrorism or similar causes. Investing in insurance companies that cover “acts of nature” can be one of the mitigating measures for this type of risk. Many reputable insurance companies have websites that provide information about the companies’ track record.
- » **Regulatory risk** – You must be able to identify and meet all the regulatory requirements for the kind of business you have decided to invest and operate. Government websites provide these type of information. Make sure that you read through all these requirements described on the websites so that you will not be penalized for non-compliance with requirements or regulations.
- » **Legal risk** – Customers, suppliers, employees, competitors, investors or other parties could launch lawsuits, or you, your partner or customer may break the law. Informal agreements with another party like a supplier or a customer when unclear and/or are not put in writing can be sources of misunderstandings. Drawing contracts with partners and suppliers are important. The business must also be able to hire a good lawyer that will support your best interest.
- » **Information technology risk** – The fast changing technology is a risk, especially for businesses that are dependent on ICTs. Updating systems and devices must be scheduled to stay on course in the business. Another situation that could pose risk is when the businesses’ ICT systems are compromised or misused due to malicious intent of competitors, customers or Internet users. It is important to be aware of these types of ICT malpractices and ensure that you observe good practices in Internet security (e.g., not sharing vital information and passwords, and regularly changing your passwords).

- » **Country (or political) risk** – A foreign government could appropriate or nationalize a business or its assets, or otherwise create losses. Policies set by other countries may affect businesses in your country (depending on the type of business). Staying updated on political news is one way to guard against this type of risk.
- » **Reputational risk** – Statements or actions of employees, business' agents or spokespeople could harm an organization's brands or reputation. This may also include what customers' think about your business. Having good relations and monitoring your customers' perception about your business can help prepare for mitigation measures that may require good press releases or words coming from credible personalities.

Defining the specific risks that your business is likely to face, and estimating the size and frequency of the risks happening will help identify mitigating schemes to lessen the impact of the risks or reduce its occurrence.

Unintended consequences in business

Businesses create intended results for profit. However sometimes there are unforeseen consequences if the business is not well researched or planned.

In the social sciences, unintended consequences (sometimes also known as unanticipated consequences or unforeseen consequences) are outcomes that are not foreseen and intended by a purposeful action. The term was popularized in the twentieth century by American sociologist, Robert K. Merton.²⁰

Unintended consequences can be grouped into three types:

- » **Unexpected benefit** – A positive, unexpected benefit (e.g. use of product for other unintended functions). For example, herbal products for beauty purposes discovered to have medicinal value for illnesses.
- » **Unexpected drawback** – A negative, unexpected detriment occurring in addition to the desired effect. For example, a water service business provides schemes where people can use water for agriculture, however the used water has increased waterborne diseases that have devastating health effects.

²⁰ Michael T. Kaufman, "Robert K. Merton, Versatile Sociologist and Father of the Focus Group, Dies at 92", *The New York Times*, 24 February 2003. Available from <http://www.nytimes.com/2003/02/24/nyregion/robert-k-merton-versatile-sociologist-and-father-of-the-focus-group-dies-at-92.html>.

- » **Perverse result** – A perverse effect contrary to what was originally intended (when an intended solution makes a problem worse). This is sometimes referred to as “backfire”. For example, a new coconut plant variety is intended to be used for an increased livelihood programme. It was introduced to farmer-entrepreneurs for increase of coconut yield and production. However, the new plant variety attracted deadly pests that affected and killed healthy coconut trees of farmers.

Prevention of the negative “unintended consequences” requires more information and study on the business project. Think of case examples in risk and unintended consequence identification in your local setting. Getting information from the web and news agencies could be a good source of these types of business risks and consequences.

Mrs. Kuhn’s business has impact on the health and well-being of customers. While she is right to ensure that the equipment she used are hygienic, she must also be aware of how the products she use for the beauty salon does not threaten the health and safety of her customers. She must read thoroughly if her beauty products have common allergic reactions to the skin and she must know how to do first aid if her customers show signs of allergy or if these products are accidentally ingested by young children.

You as an entrepreneur must ensure that your products do not have any negative effects on people’s health and the environment. New products and services must be researched and tested prior to introduction to the market. The use of ICT in research can facilitate the efficient delivery of results.

III. WRITING YOUR BUSINESS PLAN

Learning outcome

Understand how the business concepts are applied in writing a business plan

Although business plans vary in terms of length and scope, all successful business plans contain common elements. The plan should take into consideration your particular business and its environment. Here are some sections that you may want to include in your business plan:

1. **Executive Summary** – It provides an overview of the key points contained in your business plan and is sometimes considered as the most important section.
2. **Business Strategy** – It gives the purpose and objectives of the business, the short-term (1 year) and long-term (3-5 years) goals, the products and/or services that will be offered, your competitive advantage, the growth plan, timeline and milestones. Include also information about the business registration, name of the business, address and contact information.
3. **Marketing Strategy** – It includes activities that will promote your product or service – covering the 5 P's of the marketing mix:
 - » Product – How does your product or service meet the needs of your target market?
 - » Price – How much will you charge for your product or services and why?
 - » Place – How are you going to get your product to your customers?
 - » Promotion – How will you connect with your target market and how much will you spend for marketing and sales?
 - » Profile of your valuable or ideal customers – include their age, location and income level. Provide solid market research and data from reliable sources.
4. **Operation Plan** – It details the business' operational requirements over three to five years. Include a general description of the day-to-day operations of the business e.g. hours of operation, seasonality of business, suppliers and credit terms, facility requirements, management information systems and ICT requirements.

5. **Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis** – It reports on the results of the SWOT analysis conducted to make sound decisions and future plans.
6. **Human Resources Plan** – It shows how you plan to manage human resources. Include a brief organizational chart of the business showing who does what with a brief description of roles and functions.
7. **Financial Forecasts and Other Information** – It gives the financial projections for your business for the first year, and for 3 to 5 years of the business. It should include cash flow statements, profit and loss forecast, and sales forecast.



Something To Do

Write your mini-business plan

Using a document or word processor program, draft your thoughts in each of the sections listed above. Do not worry about grammar or use sophisticated words. Write as simple as you can making it clear to everyone the ideas that you want to convey. Present the plan to your friends and colleagues and ask for suggestions and improvements on your plan. Remember the business plan is a “living” document. It can improve as your ideas and your business improves.

IV. SUMMARY

1. Women engage in enterprises for a variety of reasons. Economic independence is one reason. They are motivated to have control over their income and time, and they want to continue to develop themselves and become more self-confident and fulfilled.
2. Engaging in business, however, puts women in more challenging situations as they are often expected to fulfil multiple roles in their family life. Achieving work-life balance is one of her ultimate goals and challenges. Women become more effective when they work with others. Support from family and friends, self-help groups and social networks can increase her support mechanisms.
3. ICTs such as spreadsheet programs, word processors, online search engines, social media sites and mobile applications are important tools for business planning, including conducting market research, financial planning and connecting with potential suppliers and customers.
4. Women entrepreneurs must have a good business plan to know what they are getting into, learn about their own strengths and weaknesses and the external business environment, and identify their business directions and opportunities.
5. Women entrepreneurs must be able to list, screen and then select their business ideas. They must have a dream, a vision, goals and targets. They must then get to know the business environment, the market situation, and their customers and competitors, in order to create their unique business product or service that will achieve their goals and vision.
6. In addition to the development of their unique product, identifying business resources—the infrastructure, equipment, human resource needs, time and schedule—enables women entrepreneurs to plan and develop financial mechanisms that include their sources of capital, and ways of recording and monitoring finances.

7. Anticipating challenges (and failures at times) that include different types of business risks and unintended business consequences, prepares women entrepreneurs and allows them to plan for mitigation actions to counter the risks and consequences.
8. Challenges and failures are lessons that can bring about more knowledge and insights to make one's business better.
9. Women entrepreneurs must be armed with good information in order to make good decisions in business and in life. ICTs when used well can provide timely information that can help build their business.

ANNEXES

Annex 1. Cases for Discussion



Case Study 1. The case of Mrs. Kuhn for walk-through discussion

Mrs. Kuhn wants to set up her own business. She knows how to cut and style hair, which she learned and liked doing in high school. She also has some knowledge about dying hair and treating damaged hair because she does this for her friends and her relatives, especially her mother-in-law and sister-in-law. Her family has access to the Internet because her husband needed it in his work. She is quite familiar with online sites because her sister buys some goods like clothes and bags through a buy and sell website.

Her two children (girl aged 12 and boy aged 7) are growing up fast and her husband's income as salesperson of agricultural products is no longer enough to support the growing family's needs. She dreams of sending her children to college and in good schools in the city so they can become successful professionals. She also wants to feel proud of herself that she is able to achieve something other than being a homemaker. She has reached college but was not able to finish her degree. To augment the family income she wants to engage in a business; and eventually become successful in what she will pursue.

She has been thinking of several businesses. But she is most interested to set up her beauty shop by converting a space at her home, and at the same time offer home service for customers who live far from her place. She plans to do housework from 5:00 am to 12 noon, and open her shop daily from 1:00 pm to 7:00 pm Mondays to Fridays. She plans to do home service on weekends for special occasions like wedding and similar events (if her husband and in-laws will agree since married women who work is frowned upon, more so if they travel away from home).

Her family lives in a community (a municipality of 10 villages), half sub-urban and half agricultural area, where there are agricultural plots for rice farming, and fruit-bearing trees.

Through web searching she found out the following about her community:

- It has 6 factories for recycling metal steel, 1 for industrial gas, 1 pottery business, 3 poultry farms and a gas station. It has public schools from primary to secondary levels in every village, 2 private schools near the main road going to the city, 5 health centres, a small marketplace that is busy on weekends, a place for worship, a government bank, a police station, and a municipal hall. There are many convenience stores, 1 water station, 3 beauty salons near the main road going to the city, 1 rice mill and 2 restaurants.
- Her community is accessible through 2 major highways going to: the city (15 kilometres), the capital (50 kilometres), domestic airport (25 kilometres) and international airport (65 kilometres). Two main connecting roads reach all the feeder roads of the villages. All roads are paved. Buses and small passenger vehicles pass through the major highways. Several small passenger vehicles run by motorcycles are available to the public throughout the day and night.
- Her community has a population of about 50,000, half of whom are female and half are male. Children and youth account for almost half of the population (46 per cent). The population of young adults aged 20 to 29 years old is 8,500 (17 per cent), adults aged 30 to 39 years is 6,500 (13 per cent), and those aged 40 and over is 12,000 (24 per cent).
- The community is relatively poor with an average annual income of about USD 3,000 to USD 5,000 per household. The local government claims that the place has many skilled workers. Most of those in the working age groups are high school graduates with a few (20 per cent) who have reached and graduated at the tertiary level (college).
- Through observation she was able to determine that the meeting points of women and men are mostly at the marketplace, place of worship, schools and the community halls.

The community is near the river that rises during high tide and can flood the municipality at certain times of the year due to heavy rains.



Case Study 2.

Mrs. Brenda's re-selling business and her social media marketing

Brenda used to be a saleslady in department stores in the metropolis. A year ago, she married and stayed home while her husband worked in an office. Brenda was not content; she wanted to be more productive, have her own business and her own money. From her experience as a saleslady, she realized that she has a keen interest in women's fashion and garments. However, her pregnancy made her think of a stay-home business suitable to her condition.

Using her little savings and borrowed money from an older sister, she invested on a cheap laptop, smartphone and Wi-Fi connection. After her home chores, she spent her time browsing and reading articles on fashion trends. She reviewed buy and sell websites (eBay and local selling sites). She finally decided to set up a business to buy and sell ladies' apparels online.

Brenda linked with local garment wholesalers and negotiated for consignment order. She experimented first by posting photos of trendy ladies dresses on Facebook. Her sister helped her procure the goods from the wholesale market. Many of her relatives, friends and acquaintances liked what Brenda posted and ordered the apparels from her. Eventually she established a good rapport with her suppliers and enlarged her customers' network through other selling websites.

Soon after, she decided to expand her business to home linen accessories that include pillow cases, bed sheets, bath towels, window curtains and kitchen towels. Brenda is surprised that in a span of two years she has earned more than the salary she used to get when she was a saleslady. The profits she gained from her business helped her and her husband pay for household and medical bills after their child's birth. But Brenda has no accounting system so she cannot fully claim how much profit she has gained. Also, she does not have a business licensing permit and has not paid tax gained from her business income.

Annex 2. Facilitators' Guide

A. Objectives of the Module

The purpose of this module is to introduce potential women entrepreneurs to business planning and how ICTs can help in the process. It provides fundamental business concepts, analytical tools and basic ICT applications in business planning. In consideration of the needs and preferences of women entrepreneurs, the module provides case examples and suggested activities for women to start applying ICT and non-ICT tools to their businesses. The key learning objectives of the module are:

O1 – To present business planning concepts and analytical tools in the preparation of a business endeavour

O2 – To introduce ICT program applications specific to business planning

B. Learning Outcomes

Upon completion of this module, a participant will be able to:

L1 – Understand the connection between women's empowerment and entrepreneurship, and the use of ICTs in women's business planning

L2 – Appreciate the business stages, women's challenges in business, the importance of planning and use of ICTs in planning

L3 – Identify and analyse business ideas in relation to the strengths and weaknesses of the entrepreneur, and in relation to the opportunities and constraints in the business environment, including the uses of ICTs

L4 – Recognize the importance of understanding the business environment, identify customers and competitors in the business market, and understand how ICTs can be useful in the identification process

L5 – Understand the creation of business value and the use of ICTs in the business process

L6 – Comprehend the importance of business goals and setting of business directions

L7 – Identify and analyse the resource requirement of a business, and understand how ICTs can help in the identification of business requirements

L8 – Appreciate the value of preparing a business financial plan and understand how ICTs can help in the preparation

L9 – Recognize the different types of business risks and the unintended consequences of business process and product creation

L10 – Understand how the business concepts are applied in writing a business plan

Note: This is not an ICT literacy course. There are programmes that focus on ICT literacy training. The facilitator connected with a learning institution, a governmental or non-governmental organization may avail of programmes prior to the conduct of this training module.

C. Purpose, audience and suggested duration

For policymakers

If the purpose is to brief policymakers about the module, the presentation can run for about 30 minutes to an hour.

For the training of facilitators

If the purpose of the training is to conduct a training of trainers course, the duration of the training will vary depending on the background of the training participants. Those familiar with using desktop and mobile applications will have an easier time navigating the materials and exercises. For those with limited or no ICT knowledge, it will be helpful for them to take an ICT literacy training course prior to this WIF training programme. In the training course, it may be helpful to combine those who have limited or no ICT knowledge with those who are ICT literate. It will be helpful if the training participants (would-be facilitators) have some business experience in selling products or delivering services in either the formal or informal sector. The duration of the training may run for 1 to 2 days or 8 to 16 hours.

For the training of women entrepreneurs

If the purpose of the training is to train women entrepreneurs, the duration of the training will again vary depending on the background of the women entrepreneurs. It is suggested that those with limited or no ICT knowledge take an ICT literacy training course

prior to this WIFI programme. In the training course, it may be helpful to combine those who have limited or no ICT knowledge with those who are ICT literate. The duration of the training may run for 8 hours on staggered 2-hour basis over a one- or two-week period to ensure that women are able to take time out from their daily responsibilities to participate in the course.

D. Training preparations

Conduct of training needs analysis. You as a facilitator must check the background of the participants. Find out about their age and civil status (whether married or single), their entrepreneurial experiences, and ICT background (whether they use mobile phones and/or computers, do they know how to use simple applications). It will also be helpful if participants are able to share their expectations prior to the training. This will help you plan the training to match the expectations of the participants. A training needs analysis can be conducted through a short questionnaire survey that training participants need to complete prior to the training.

Localization. This module is written in the English language. Translation of the concepts and the exercises may be required in some countries. You must be familiar with the training participants' economic, social and cultural backgrounds, and accordingly tailor the training to their local context. This involves the development and use of local cases and exercises, and the demonstration of local applications and websites with local language content. Exercises using popular social media sites or websites can be a starting activity for the participants. For example, if the country's government has websites that provide information about business registration and licenses, show and direct the discussion to this website. Similarly, using popular social media sites to show how local businesses market their products will be more meaningful to the participants and enable them to quickly grasp the relevance and uses of ICTs.

Preparation for the conduct of exercises requires practice and pre-testing. Have a group of colleagues to help you in the pre-testing of the localized exercises to provide you with feedback and suggestions for improving the exercises. If materials and equipment are needed in some of the exercises, make sure that these are ready before the conduct of the activities.

E. Delivery and conduct of the training

Use of local language is preferred and found to be more effective.

To stimulate discussion, some principles of adult education are found useful and effective. Specifically, you as a facilitator must provide time for participants to bring into the discussion their own knowledge and experience. You must be able to allay the participants' fears from the usual classroom or traditional school discussion, and make clear that the training is an opportunity to test their ideas with direct application to their lives. Encouraging them to share their thoughts and experience will help you identify the context and level of experiences. This will give you a sense of direction and ability to direct the training to meet participants' expectations, and at the same time fulfil the module and programme objectives. Part of your preparation for the training is to have ready some simple and non-intimidating questions to initiate discussions.

Other suggested methods include:

Storytelling and use of anecdotes. This method is very powerful and gets the attention of participants. If you have entrepreneurial experience, sharing your own stories will be captivating to the participants.

Use of local cases and exercises. Have at least three local cases and three exercises ready to explain the concepts and core messages of the topics that will be discussed during the training. If computers and Internet facilities are available, show short local videos about successful cases of women entrepreneurs. If these are not available yet, you may translate some of the video materials in your language. It is also encouraged that you produce short video materials and photos that reflect the local context.

Empowerment and entrepreneurial stories of participants. If participants have empowerment and entrepreneurial experiences, let them share these during the discussion. They can easily be your resource persons on certain topics. You can easily spot them when you have done the training needs analysis.

Use of games and group activities. Have group games and role playing activities during the training to enliven the participants.

Group activities. Usually women participants feel more at ease and confident in groups, especially in doing the exercises. You may consider forming mixed groups by

bringing together those with and without ICT knowledge and those with and without entrepreneurial experience. The mood and atmosphere during the training can be set up and structured in such a way that those who know more will share responsibilities with you to help those who may know less about the topics being discussed.

Ice breakers. Have short and brief activity breakers ready in case the participants feel sleepy or anxious.

Review and summary of important messages and topics. It is important to repeat, review and summarize the important aspects of the topic. Let the participants do this if they are willing, and always provide opportunities for participants to share their insights related to the topic and core messages.

F. Training evaluation

To assess objectives and learning outcomes of the training, an evaluation must be conducted immediately at the end of the training. UN-APCICT has evaluation templates of training activities. This can be localized and used to get structured feedback from participants. This will allow improvement of the content and method of the training activities.

G. Post training monitoring and evaluation

If the training forms part of a programme of an institution (whether a governmental or non-governmental organization), the following activities are suggested to follow the participants of the programme:

Monitoring of participants. The training needs analysis can be taken as baseline data for the training programme. The UN-APCICT WIFI programme will be interested to know the effectiveness and impact of the training in the different countries, particularly the application of the training modules in the lives of the participants. The training institution or programme can design simple post-training evaluation to measure the effectiveness of the programme.

Community/Women organizing. Support for women entrepreneurs in the community can include the organization of women to actively pursue their economic empowerment activities. They may form self-help or support groups that will provide a venue for women entrepreneurs to share knowledge and experiences, and support each other in business and personal matters.

Coaching and mentoring. Women can be supported by providing them additional services such as entrepreneurial and ICT coaching and mentoring. In coaching, women entrepreneurs will be facilitated to undertake activity targets in relation to their business planning, start up and management. In mentoring, the women entrepreneurs will be given more specific and tailored advice and guidance so that they can take their actions to more advanced levels.

Evaluation of learning outcomes. It will be ideal if the training institution or programme can include the WIFI programme as part of the institution's or programme's evaluation activities. The learning outcomes can be used as a guide to measure the impact of the training. UN-APCICT can be asked for support to develop the evaluation questions for this purpose.

H. Suggested chronology, description and duration of session topics

Section A: Introduction to business planning, women's empowerment and entrepreneurship, and ICTs	
<p>Session 1: Introduction and overview</p> <p>(Suggested duration: 30 minutes)</p>	<p>Learning outcome:</p> <p>L1 – Understand the connection between women's empowerment and entrepreneurship, and the use of ICTs in women's business planning</p> <p>Key topics:</p> <ul style="list-style-type: none"> • Review of core messages of women's entrepreneurship, and how ICTs can contribute to women's empowerment and business preparation • Orientation on the module <p>You as facilitator will engage the participants to summarize what they learned from the core modules on women's empowerment, entrepreneurship and the role of ICTs. The participants may be divided into three groups to discuss and summarize: (1) women's empowerment, (2) entrepreneurship, and (3) the role of ICTs. You will link the summary of the module to business planning and how ICTs can support the business preparation of women using real-life examples.</p>

<p>Session 2: Business stages, women’s challenges, the use of business plans and ICT tools</p> <p>(Suggested duration: 45 minutes)</p>	<p>Learning outcome:</p> <p>L2 – Appreciate the business stages, women’s challenges in business, the importance of planning and use of ICTs in planning</p> <p>Key topics:</p> <ul style="list-style-type: none"> • What is business and its stages • The challenges of women in business <p>You will discuss and elicit inputs from the participants about business and its different stages, and the challenges that women will encounter in these stages.</p> <ul style="list-style-type: none"> • The business plan and the use of ICTs in planning <p>You will engage the participants in a discussion on planning, its purposes and the use of ICTs in planning.</p>
<p>Section B: Developing a business plan</p>	
<p>Session 3: Generating business ideas</p> <p>(Suggested duration: 60 minutes)</p>	<p>Learning outcome:</p> <p>L3 – Identify and analyse business ideas in relation to the strengths and weaknesses of the entrepreneur, and in relation to the opportunities and constraints in the business environment, including the uses of ICTs</p> <p>Key topics:</p> <ul style="list-style-type: none"> • What are business ideas? • Use of brainstorming tool to generate ideas • How ICTs can help in generating business ideas <p>You will introduce the many sources of business ideas and how ICTs can be used to generate these ideas. One or two case examples will be introduced at this point as a walk-through case.</p> <p>You will introduce the brainstorming tool and engage participants in the different steps of the brainstorming activity to elicit business ideas, cluster and group these ideas, screen these ideas, and select the most feasible ideas from the list. In screening the ideas you will introduce the screening criteria, the strengths and weaknesses of the entrepreneurs, and the factors in the business environment in evaluating business ideas.</p> <p>In small groups, the participants will go through the brainstorming and screening exercises, and towards the end of the exercise, you will ask the participants to share their learnings from the exercise. You will enhance the discussion by providing examples on the use of ICTs in generating business ideas.</p>

<p>Session 4: Understanding the business environment</p> <p>(Suggested duration: 60 minutes)</p>	<p>Learning outcome:</p> <p>L4 – Recognize the importance of understanding the business environment, identify customers and competitors in the business market, and understand how ICTs can be useful in the identification process</p> <p>Key topic:</p> <ul style="list-style-type: none"> • Understanding the business environment <p>You will present the external factors as sources of opportunities and constraints that affect business. The participants will be introduced to the environment scanning tool that provides guide questions to analyse the business environment. You will use the walk-through case to explain the environment scanning tool.</p> <p>In small groups, the participants will go through the environment scanning exercise, and towards the end of the exercise, you will ask the participants to share their learnings from the exercise. You will enhance the discussion by providing examples on the use of ICTs in scanning the environment.</p> <p>Part of the environment scan is the identification of customers and competitors. The participants will be introduced to the identification tool and how ICTs can be used in the process using the walk-through case.</p>
<p>Session 5: Creating business value</p> <p>(Suggested duration: 30 minutes)</p>	<p>Learning outcome:</p> <p>L5 – Understand the creation of business value and the use of ICTs in the business process</p> <p>Key topic:</p> <ul style="list-style-type: none"> • Creating the competitive advantage and unique business value <p>You will introduce the meaning of creating competitive advantage and identifying the unique business value. The concept of the SCAMPER model will be discussed with the use of examples. The participants will be introduced to the questions that will guide participants to develop their unique value proposition, including the use of ICTs.</p> <p>You will provide examples using the walk-through case.</p>

<p>Session 6: Business goals</p> <p>(Suggested duration: 60 minutes)</p>	<p>Learning outcome:</p> <p>L6 – Comprehend the importance of business goals and setting of business directions</p> <p>Key topics:</p> <ul style="list-style-type: none"> • Business goals – how to make it SMART <p>You will present the importance of goal setting in any business plan and ensuring that these plans are SMART. The participants will be presented with examples using the walk-through case.</p> <ul style="list-style-type: none"> • Visualizing dreams and goals <p>You will introduce the participants to the exercise of visualizing their dreams and goals. Using guide questions the participants will understand the importance of having SMART dreams and goals.</p>
<p>Session 7: Identifying business resources</p> <p>(Suggested duration: 60 minutes)</p>	<p>Learning outcome:</p> <p>L7 – Identify and analyse the resource requirement of a business, and understand how ICTs can help in the identification of business requirements</p> <p>Key topics:</p> <ul style="list-style-type: none"> • Business infrastructure • Human resources • Sources of capital <p>You will introduce the importance of identifying resources in the business. The participants will be oriented on the different types of resources such as: business infrastructure that includes equipment and materials; human resources that cover the people who will assist in operations, marketing and management; and sources of funds for business capital. The discussion will be enriched by the use of walk-through case(s).</p> <p>The participants will be asked to participate in group exercises that will help them identify resources using ICT and non-ICT tools.</p>

<p>Session 8: Developing the business financial plan</p> <p>(Suggested duration: 60 minutes)</p>	<p>Learning outcome:</p> <p>L8 – Appreciate the value of preparing a business financial plan and understand how ICTs can help in the preparation</p> <p>Key topics:</p> <ul style="list-style-type: none"> • Financial planning process • Difference between fixed costs and variable costs • What is break-even point • What are financial statements <p>You will discuss the importance of planning business finances and explain the steps to develop a business financial plan. The participants will be introduced to basic financial concepts and the tools used in financial planning. The discussion will be enriched by examples using the walk-through case and demonstration of the use of ICT programs in generating the financial plans.</p> <p>Hands-on activities may be provided if more time can be allocated to this session.</p>
<p>Session 9: Anticipating challenges in business</p> <p>(Suggested duration: 30 minutes)</p>	<p>Learning outcome:</p> <p>L9 – Recognize the different types of business risks and the unintended consequences of business process and product creation</p> <p>Key topics:</p> <ul style="list-style-type: none"> • Business risks and types • Unintended consequences <p>You will discuss the challenges in businesses using the walk-through case. Business risks and unintended consequences will be defined and explained with real-life examples. The participants will be asked to provide other examples based on their observations. You will highlight the use of ICT and non-ICT tools to help identify business risks and unintended consequences.</p>
<p>Section C: Writing a business plan</p>	
<p>Session 10: Writing a business plan</p> <p>(Suggested duration: 75 minutes)</p>	<p>Learning outcome:</p> <p>L10 – Understand how the business concepts are applied in writing a business plan</p> <p>Key topic:</p> <ul style="list-style-type: none"> • Writing the business plan <p>This session will be a summary of all the concepts learned in the past sessions. You will present the parts of the business plan and samples on how a business plan is written.</p> <p>The participants will be asked to do an executive summary of a business plan in groups to appreciate the past discussions and learning from exercises. The groups will present their plans in a plenary.</p>

I. The mini-workbook

In places where there are no computers and Internet, and for participants with limited ICT background and prefer to manually do the exercises, you can prepare and copy the tables that can provide useful analysis to the participants. You can create a mini-workbook that participants can use as their notebook to show their progress in the modules.

J. Additional resources for training/preparation

Asia Pacific Women's Information Network Centre, *Innovative Strategies for Andean Women's Participation in Digital Economy (2012-2014) eBiz Training (Training of Trainers for Rural Women Entrepreneurs)*. For training materials, please contact APWINC. <http://www.women.or.kr/>

Catherine Lang and Marina Biasutti, *Entrepreneurial Training "Owning your Future"*. Available from <http://www.slideshare.net/JacquelineRichardson/entrepreneurial-training-manual-owning-your-future>.

Dandy Victa, *Work-At-Home Entrepreneurship: A Practical Guide for Filipinos with Disabilities* (Quezon City, National Council on Disability Affairs, 2014). Available from <http://www.ncda.gov.ph/wp-content/uploads/2015/01/e-copy-Work-At-Home-EBook.pdf>.

Food and Agriculture Organization, *Promoting Rural Women's Cooperative Businesses in Thailand: A Training Kit* (Bangkok, 2004). Available from <http://www.fao.org/docrep/004/ad499e/ad499e00.htm>.

Hewlett-Packard (HP) LIFE online courses for entrepreneurs. Available from <http://www.life-global.org/>.

Intel Learn Easy Steps. Available from <http://www.intel.com/content/www/us/en/education/intel-easy-steps.html>.

Intel Entrepreneurship Basics (E-Basics). Available from <https://educate.intel.com/employability/e-basics/>.

Intel, *Women and the Web: Bridging the Internet gap and creating new global opportunities in low and middle-income countries* (2012). Available from <http://www.intel.com/content/www/us/en/technology-in-education/women-in-the-web.html>

International Labour Organization, *Can ICTs Help Me Improve My Business: A brief handbook for micro and small entrepreneurs from Latin America and the Caribbean*. Available from <http://www.oitcenterfor.org/sites/default/files/canictshelp.pdf>.

International Labour Organization, *Gender and Entrepreneurship Together: GET Ahead for Women in Enterprise – Training Package and Resource Kit* (Bangkok, Berlin and Geneva, 2004). Available from http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_116100.pdf.

Microsoft and ASEAN Foundation, *ICT Curriculum 2013: ICT training programs for small- and medium-sized enterprises*. Available from <http://www.unapcict.org/ecohub/resources/ict-for-sme/training-programs-guidelines/microsoft-asean-foundation-ict-curriculum-ict-training-programs-for-small-and-medium-sized-enterprises-smes>.

Microsoft Digital Literacy. Available from <https://www.microsoft.com/en-us/DigitalLiteracy>.

Philippine Commission on Women, *Development of a Gender and Financial Literacy Module*, undated. Available from <http://pcw.gov.ph/publication/development-gender-and-financial-literacy-module-results-partnership-between-pcw-great-women-project-and-napc>

Steve Mariotti, *Entrepreneurship: Owning Your Future*, eleventh edition (New York, Network for Teaching Entrepreneurship and Pearson Education, 2010). Available from http://assets.pearsonschool.com/asset_mgr/current/201323/entrepreneurship_se_final_pdf.pdf.

United Nations Conference on Trade and Development, *Empowering Women Entrepreneurs through Information and Communications Technologies: A Practical Guide* (New York and Geneva, 2014). Available from http://unctad.org/en/PublicationsLibrary/dtlstict2013d2_en.pdf.

UNESCO-UNEVOC, *Starting My Own Small Business: Training Packages on Entrepreneurship*. Available from <http://www.unevoc.unesco.org/go.php?q=Starting%20my%20own%20small%20business>.

ABOUT THE AUTHOR

UN-APCICT

The United Nations Asian and Pacific Training Centre for Information and Communication Technology for Development (UN-APCICT) is a subsidiary body of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). UN-APCICT aims to strengthen the efforts of the member countries of ESCAP to use information and communication technology (ICT) in their socio-economic development through human and institutional capacity building. UN-APCICT's work is focused on three pillars:

1. Training – To enhance the ICT knowledge and skills of policymakers and ICT professionals, and strengthen the capacity of ICT trainers and ICT training institutions;
2. Research – To undertake analytical studies related to human resource development in ICT; and
3. Advisory – To provide advisory services on human resource development programmes to ESCAP members and associate members.

UN-APCICT is located at Incheon, Republic of Korea.

<http://www.unapcict.org>

ESCAP

ESCAP is the regional development arm of the United Nations and serves as the main economic and social development centre for the United Nations in Asia and the Pacific. Its mandate is to foster cooperation between its 53 members and 9 associate members. ESCAP provides the strategic link between global and country-level programmes and issues. It supports governments of countries in the region in consolidating regional positions and advocates regional approaches to meeting the region's unique socio-economic challenges in a globalizing world. The ESCAP office is located at Bangkok, Thailand.

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