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CONSULTANCY REPORT ON MANAGEMENT SYSTEM
DEVELOPED FOR THE AGDERUMKA FEDERATION
CHAD PILOT FRUIT AND VEGETABLE PROJECT
CONTRACT # AFR-0051-A-00-0019-00

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LIST OF ACRONYMS

ACRA.....ASSOCIATION FOR RURAL COOPERATION IN AFRICA
ACDI.....AGRICULTURAL DEVELOPMENT COOPERATIVE INTL.
AGDERUMKA.....FEDERATION OF ASSOCIATIONS FOR THE DEVELOP-
MENT OF MANI - KARAL
BTCD.....CHADIAN BANK FOR CREDIT AND DEPOSITS
CFLT.....FRUIT, VEGETABLES AND TUBERS COOPERATIVE
ONDR.....NATIONAL OFFICE FOR RURAL DEVELOPMENT
ONDAH.....NATIONAL OFFICE FOR HORTICULTURAL DEVELOPMENT
SECADEV.....CATHOLIC RELIEF AND DEVELOPMENT ASSOCIATION

SCOPE OF WORK

PILOT FRUIT AND VEGETABLE MARKETING PROJECT COOPERATIVE MANAGEMENT/SMALL BUSINESS CONSULTANT

I. INTRODUCTION

Early this year the Federation of Groupement farmers from the producing area of Karal constructed a marketing hangar in the Cholera Market in N'Djamena as a direct point of sale for the produce from its area. The formal inauguration of the marketing facility was held on April 13, 1992 and a consultant arriving in N'Djamena in early May would assist the Federation in developing a management system to operate this marketing facility. Prior to the inauguration, the project assigned a staff member to work with the Federation in the hangar in organizing a few services on a small scale. This experience provides background and information which will be useful in developing a formal management system. The project is also working with the Federation in sorting out its accounts. Although the project is providing some management assistance, there is a need for more in-depth and systematic help.

II. PURPOSE

The purpose is to develop a management system which will help to make this farmer owned and operated market facility economically sustainable.

III. OBJECTIVE

The objective of this consultancy is to design a comprehensive system of administration, personnel management and accounting, which meets the management requirements of the Federation, by which is also simple enough to be understood and implemented by persons with little management experience or skills.

IV. BACKGROUND

In December 1991, the representatives of ADERUMKA, the newly organized federation of 51 groupements from the project area, approached the project with a request for assistance in establishing their own hangar as a Point of Sale outlet in one of the major markets of N'Djamena. After discussions with the project staff, the federation representatives agreed to test the concept in the Cholera market.

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The farmers' original idea was to establish a structure where maize could be temporarily held for sale to retailers or other traders. As storage of perishable vegetables is not a traditional part of the marketing system in N'Djamena, the construction of a vegetable storage room was not part of the farmers' original design concept. However, the federation and the project came to an understanding that the project would provide technical assistance, for the construction of the hangar and would fund the construction of a vegetable storage room within the hangar.

In the first week of January 1992, the farmers paid the Mayor's office 150,000 CFA from their own funds and secured permission to construct a hangar and storage facility on 200 square meters in the Cholera Market. The hangar structure was completed January 31 and in April a 10m X 6m fruit and vegetable storage room will be completed.

The specific objectives of the facility include the following:

1. Enable producers and traders to temporarily hold vegetables at the market (3-4 days) to wait for improved daily price.
2. Hold tomatoes for ripening.
3. Provide an opportunity to sell directly to retailers-with special emphasis on meeting specific quality requirements for different retailers.
4. Test feasibility of farmer management of point of sale marketing organization.
5. Provide a meeting place to hold training sessions for producers, traders and retailers.

V. SCOPE OF THE CONSULTANCY

1. Develop a Management System:

A. Board of Directors: Establish a representative group of members who will have executive control of the marketing facility.

B. Management Positions: Determine the positions required and develop scope of work for them.

C. Inventory System: Establish a system for recording incoming and out-going product inventory that is to be stored in the facility.

D. Accounting System: Develop a simple accounting system that will provide information about income from groupement subscriptions and income from federation activities such as sale of seeds, storage and other marketing services.

E. Management Information System: Establish a MIS that will provide the Federation and ACDI with information with which to evaluate the marketing services and financial status of the Federation.

2. Develop Budget for the Marketing Facility:

A. Annual Budget: Prepare a provisional annual budget for the operation of the hangar: Establish a fee structure for marketing services, estimate federation income and expenditures.

3. Test the Management System:

A. Implementation Test: Test the effectiveness and practicality of each component of the system.

VI. IMPLEMENTATION

The consultancy has five related parts:

1. development of the system concept
2. briefly test its practicality with the resources available
3. develop a training outline for developing any special skills required by the management personnel
4. preparation of a budget
5. test effectiveness and practicality of the management system

The consultant will have assigned to him the project staff member who is the Federation-Project coordinator (N'Djamena). This staff member is fully familiar with the Federation's activities in N'Djamena, has been assisting in the management and has the necessary language skills.

1. The development of the system concept will require an understanding of the Federation's objectives and resources. This will be achieved primarily through review of project documents and discussions with project staff and Federation Representatives.

2. As the hangar is already in operation, the consultant will have the opportunity to immediately test elements of the system to see that they are practical. Project personnel will participate in management tests if Federation personnel are not available.

3. Recommendations for training in recording inventory, accounting, etc.. The training will be carried out by the project staff after the departure of the consultant.

4. The preparation of the budget will entail reviewing income generating activities and expected expenses. This is not expected to be a major time consuming activity but is very important as a tool in developing the Federation's understanding of financial management.

5. The effectiveness and practicality of the management system will be tested using the Federation resources, or in their absence, project resources. This will include personnel, and physical resources.

VII. END OF CONSULTANCY OUTPUTS

1. A verbal debriefing to USAID upon completion of the consultancy.
2. A written report describing the management systems developed.

IX. ADMINISTRATIVE MATTERS

1. It is estimated that the consultant will be in country four weeks beginning about May 7, 1992.
2. The consultant's duty post will be in N'Djamena.
3. The project will be responsible for local lodging, transport and logistical arrangements.

EXECUTIVE SUMMARY

The objective of the consultancy was to assist the Federation to develop a comprehensive management system for their business enterprises and general Federation activities.

Following the needs analysis, the consultant focused on a training approach which integrated the beneficiaries into the creation of their own management system. This resulted in the development, by Federation board members, of their own accounting system in Arabic.

Twelve Federations board members received four days of training in the areas of business plan preparation, organization and personnel management. Twenty four individuals (fifteen Federation Board Members Five ACDI staff members and four extension staff members from SECADEV) received two days of training in accounting documents.

The Federation President received three days of training prior to the other training sessions in the areas of the business plan, management information needs and the function and elements of the profit and loss statement and balance sheet.

Two ACDI staff members Eli Mbaiamnda and El Hadj Ali Mahamat participated as facilitators/co-trainers in all the training sessions conducted by the consultant. This exposed them to the training methodology so that they can continue training Federation members. Training sessions were held with them prior to the training sessions to discuss training needs, training plan elements and methodology.

Federation board members and ACDI staff have now been exposed to a training methodology which will allow them to continue the business training received during the consultancy.

Future training needs and guidelines have been identified for both Federation members and ACDI staff. Some potential local training resources have also been identified.

The Federation needs assistance with cooperative skills including communications and organization in order to have the maximum impact in the technical skills areas, such as business management and marketing. This requires time and allocation of training and human resources to ensure long term success.

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I. OBJECTIVES

To develop an efficient/user friendly management/control system for Federation use. This system should be cost effective and allow Federation members to develop their skills and business in a gradual manner. The system should be controllable by the Federation board and management. Federation members should feel a sense of ownership in the management system.

A. Crucial Assumptions

The consultants methodology is based upon the following assumptions:

- o That the beneficiaries are capable of identifying the management needs of an economic activity and of their Federation.
- o That the role of the consultant is to act as a trainer to permit the beneficiaries to express their knowledge and ideas. Through pertinent questions (socratic method) and other training techniques (including experiential) that the consultant/trainer can effectively assist beneficiaries to consolidate their knowledge into an effective management system.
- o That beneficiary participation in the creation of the management system will give them an effective sense of ownership. That a management system developed in this manner will more closely correspond to their special needs and aspirations. Beneficiaries are more likely to use such a system to manage their business and Federation.

II. METHODOLOGY

A. Needs Assessment

Read documentation. Discussed with ACDI staff from N'djamena et Karal. Observed activities of the Federation warehouse in N'djamena. Visited other markets in N'djamena including visits to the fruit and vegetable and tuber cooperative (CFLT) in the Dembe and Millet markets to see how it is managed. Visited other organizations working in the same area of both marketing and business management. These institutions included both NGO'S (NON GOVERNMENTAL ORGANIZATIONS) such as Association for Rural Cooperation in Africa (ACRA), VITA, and Catholic Relief and Development Association (SECADEV) as well as GOC (Government of Chad) agencies.

On site discussion/training session with the President of the Federation. To familiarize the president with the consultants approach.

Preparation of a frame work of options to help beneficiaries, project staff and consultant clarify thinking on the most effective management systems for the warehouse and the Federation.

Preparation of training session including training of ACDI staff to act as facilitators.

B. Training Implementation

Three formal training sessions took place in N'djamena and Baltram to develop the management system with Federation board members and ACDI staff. In addition, ongoing training of selected ACDI personnel took place to allow them to participate in the training sessions and prepare their skills for the future.

C. Trial Run

Less time was attributed to this activity due to three factors : the need to integrate the Federation board members directly into the process of creating their management system; Federation management personnel were not in place at the time(board members are currently reorganizing the warehouse management); and Federation board members were heavily involved in planting.

The Trial run was replaced by discussions and work sessions with ACDI personnel currently involved in assisting the Federation manage the warehouse and on site training to insure that both project beneficiaries and ACDI staff are sufficiently at ease with the system.

D. Future Training Needs Identification

Identified future training needs of both Federation members and ACDI staff in the areas of cooperative development, cooperative business, functional literacy and numeracy , and training of trainers.

E. Human Resource Needs

Identified resource people within ACDI, the Federation and outside to assist in on going training.

III. NEEDS ASSESSMENT

A. BACKGROUND

Heterogeneous Population

The heterogeneity of the population particularly around Baltram is a challenge to both effective communication and Federation cohesion. The fact that many members do not share a common cultural background highlights the need for effective communication within the Federation.

Dependency Relationship

Large parts of the population around Karal/Baltram were displaced from other areas of the country and resettled in the Karal/Baltram area. The relationship between the farmers both local and transplanted has been one of extreme dependence on outside sources. This dependency relationship started first with the government and then with SECADEV, which took over many of the responsibilities of assisting both the new settlers and the previous inhabitants. In the beginning this involved large amounts of food aid and gifts.

Relationship ONDR/Projects/Beneficiaries

When asked to define the relationship between ONDR/projects and themselves, Federation members inevitably say that it is one in which the projects are the motor force (the donkey) and they are the passive entity the (cart).

Group Creation/Motivation

The idea to form groups came largely through these organizations as opposed to originating from the farmers themselves. In the majority of cases the major motivation for these groups was the corollary that group participation was a precondition to receive assistance.

Cooperative Training

Cooperative training has been very deficient. This is illustrated by the high failure rate among the first three generations of pre-cooperatives. Lacking appropriate training and methodology both government personnel ONDR and many projects have continued to play the role of the "donkey". In many cases, particularly with one agent of the ONDR this involves telling farmers groups what they should do, what they should think, how they should organize themselves and setting meeting agendas in their place. The fact that meeting notes are drawn up by the local representative of the ONDR, even though there are pre-cooperative secretar-

ies, who can write in Chadian Arabic present, is rather indicative of the problem.

Cooperative Development Context

This is the context in which ACDI and AGDERUMKA currently operate. To ignore this context or to continue with the same methods is to invite certain failure.

In order to succeed ACDI/CHAD must take a role which emphasizes empowerment of their beneficiaries. Helping them to define their own problems, priorities and solutions. This is very much of a training/facilitation role.

In the coop & business /management training sessions board members as well as general members have shown themselves to be very strong in many areas. Out of eleven board members participating in the 1st Baltram training session, seven could read/write and do basic calculations in Arabic. Almost all participants had some knowledge of simple accounting procedures.

ACDI/CHAD personnel are very much aware of the issues and the weakness of group structures in the area. What they need are the methodology, training for themselves as well as project beneficiaries and time to insure that the projects impact in marketing of fruits and vegetables will be sustainable on the part of the Federation AGDERUMKA and other project beneficiaries.

B. TRAINING NEEDS

The following section is divided into nine training subject areas. For each section the training needs are identified. The current training status is indicated. This notes areas which have been covered during the consultancy. The following section list recommendations for areas which need further training.

Organizational Problems

- o Planning
- o Identifying clear objectives
- o An appropriate methodology to resolve problems
- o Ability to prioritize both in terms of needs and identifying problems
- o Budget preparation/approval
- o Business plan formulation/preparation/testing (How to set up a cooperative business)

Current Status:

Board members and select ACDI staff members have received training in the elements of a business plan. Federation board members are aware of the importance of creating a business plan before undertaking a new business. They also know the elements which constitute a business plan. Attached is a copy of a business plan including the questions which Federation members need to ask and to answer. (see annex I).

Budgeting

Budgeting is a crucial management skill for the Federation given that start up businesses often exceed initial capital needs. A training exercise was done with Federation to budget personnel for the warehouse. A budget was not drawn up for the Federation warehouse by the consultant as it was felt that this should be done as a training session with Federation members. Unfortunately time did not permit the consultant to undertake this with Federation members. However the exercise in budgeting personnel showed ACDI staff the process which they can then apply to a budget training session with Federation members.

Recommendations:

Business Plan

ACDI staff should help cooperative members to identify underlying assumptions in each business plan and encourage cooperative members to see if these assumptions will hold up.

Practical exercise:

ACDI staff should assist Federation members to create their own business plans. The warehouse operation and the proposed dried gumbo and tomato business would be an excellent practical exercise for both the Federation and ACDI staff.

Planning (work plan, time line)

ACDI staff needs to assist members to define objectives introduce them to the idea of a time line/work plan. The work plan would identify general objectives followed by specific objectives and steps to achieve each of these objectives. The steps to achieve each objective should also include identification of the individuals responsible for carry out the action.

The time lines should be created indicating when different actions will be carried out during the course of a three to six month period.

Federation members should understand that both the work plan and time line can be updated as the work situation evolves. These planning tools will greatly assist the Federation to think through their activities in advance. It will also assist them to reduce friction between members as individual responsibilities for each action will be spelled out.

Problem Solving Methodology

ACDI staff should encourage the Federation members to approach all problems in a structured manner to:

- o Identify different alternatives
- o Gather information on the advantages and disadvantages of each
- o Test their hypothesis
- o Identify resource availability both within the Federation as well as outside
- o Reach a consensus after informing members and debating the issues

Budgeting

ACDI staff should hold a budgeting training session with Federation members. This should initially be done for individual business and then combined to form a global budget for the whole Federation.

Communication/Organizational Skills

General needs:

Why meetings and good communication are important

- o HOW TO CREATE EFFECTIVE COMMUNICATION INSURING APPROPRIATE INPUT FROM MEMBERS
- o HOW TO SET AN AGENDA AND RUN MEETINGS
- o HOW TO DEVELOP A CONSENSUS
- o IMPORTANCE OF REGULAR MEETINGS/HOW TO CONDUCT EFFECTIVE GROUP MEETINGS

Current status:

Federation members need some formal sessions on this subject.

The President has a particular responsibility to assist communication during meetings and to insure that board members are informed of Federation activities. During the consultant stay the President took increasing responsibility for running meetings. However, both the president, Federation board members and individual group officers need training in methodologies which will allow them to play their roles effectively, democratically and with a minimum amount of friction among members.

Recommendations:

Two - three training sessions for the presidents of the different groups, including the President of the Federation, in which specific communication problems are presented and analyzed is imperative.

Transparent Management

Transparent management is crucial to successful management of any cooperative business endeavor. Initially, many cooperative leaders do not understand the need to keep effective accounting records. However this is only a first step. Even if bookkeeping is done on a regular basis if other board members and general membership are not informed in a timely manner the cooperative will encounter serious problems.

Current status:

The importance of a transparent management of the Federations business has been discussed with members. Federation board members responsibilities have been identified in the personnel section of this report. The importance of generating financial reports on a timely basis has also been stressed. However, it takes time before this concept is really understood and practiced by cooperative members. This requires training sessions in which participants trouble shoot situations where there has not been a transparent management as well as training sessions on how board members, responsible for informing members, should carry out their duties.

Recommendations:

ACDI staff should encourage the Federation to develop a monthly schedule to work on business documents and convey this information to the board and to the membership at large so that this becomes a habit.

Business and financial information should be an integral and automatic part of all meetings. The information should be presented in a simple coherent form to board members so that they, in turn, can transmit it to the general membership. This could also include some training in the visual arts to help

Federation members develop some visual tools to help illustrate business progress to the general membership.

Personnel Management

Job Descriptions

Effective personnel management requires proper job descriptions, selection criteria, and in many cases on the job training. Detailed job descriptions for both board members and enterprise personnel diminish friction over role confusion. It also establishes a basis on which the individual can be measured.

Contracts

In the case of certain key business personnel such as commission brokers this requires a formal contractual relationship to specify each parties responsibilities.

"Reglement Interieure"

As the Federation expands its business activities it will become increasingly important to amend the current "Reglement Interieure". ACDI needs to organize a training/work session to add this information to the "reglement interieure" of the Federation.

Job Training

Each category of Federation staff (Presidents, Vice presidents, Secretaries etc.) should receive training according to their job descriptions as defined by the Federation. This is also crucial to help the Federation to develop a resource pool, to add as much depth as possible to their management capabilities so that the largest number of members can participate in Federation activities.

Status:

Board members have participated in a training session in which they have developed selection criteria and job descriptions for the Cholera Warehouse personnel.

Basic responsibilities of Board members and enterprise personnel are included in this report. However, this should only serve as guidelines to ACDI staff as board members should develop their own lists.

Recommendations:

Federation board members need to participate in several training sessions to detail board members general responsibilities and

their responsibilities towards the Federation enterprises. This should also include a session on special committees and their roles and responsibilities. The resulting selection criteria and detailed job descriptions should then be incorporated into the "reglement interiere"

ACDI should organize formal job training sessions by specialty areas (President, Vice President, Secretary etc.). These training sessions should last about a week each and should take place during periods when members are relatively free. These training sessions will better enable board members to effectively fulfill their job responsibilities.

Additional themes which need to be covered include :

How to hold an election. This is the practical application of the exercises in job descriptions and selection criteria. This exercise allows members to apply the skills which they have learned in developing job descriptions and selection criteria. This training exercise illustrates the importance of applying rational business criteria to the selection of both board members and business personnel.

Management Trouble Shooting

Management trouble shooting training is fundamental to helping Federation members solve day to day problems as they occur. It is complementary to long term training needs on different subject areas such as planning and general accounting principles. Effective management trouble shooting training reinforces long term training and illustrates to Federation members the importance of the theory which they have seen in the more formal training sessions.

The following are some examples of management problems which should be covered with Federation members:

- o Commission agent/producer relationships.
- o Problems between the producers and the commission broker over the non-returned tea cases.
- o Lack of a commission agreement in the case that the produce sale price is too low.
- o Rivalry. People who had bad things to say before but who now want to be members of the Federation. What should one do? How to encourage new membership?
- o The rotating transportation system for marketing fresh tomatoes which the Federation

tried to establish. What problems did they encounter? How could it be improved in the future?

- o The election of a board member who does not fulfill his job correctly.
- o Importance of good communication. Example : President not feeling the necessity to communicate progress to members. Feeling that the role of the president is to resolve all problems (providing personal funds to help complete the construction of the Cholera Warehouse). How can the President deal with this kind of situation? Members?
- o Conflict between the traditional perception of a leader and the needs of a cooperative structure.

Current status:

ACDI staff has received training on their suggested role. This role emphasizes the importance of training and facilitation. In this role ACDI staff should identify problems which are occurring at the business or Federation level and make note of these problems. These problems along with others, identified by the Federation members, should then be used as case studies.

Recommendations:

ACDI's staff should document problems and develop case studies which could then be discussed in a structured way in forums and training sessions. This would help Federation management to develop a process and methodology for problem solving and would also allow for a greater participation on the part of Federation members. These case studies should not be presented to Federation members as ways in which they have not followed advice. Rather they should allow members themselves to discover the underlying issues and potential solutions.

Management Information System

Development of an appropriate management system for the Federation and enterprises.

Current Status:

Training sessions have taken place for both the president of the Federation (so that he can assist in the group training as a facilitator) and board members. The focus of this training concerned:

- o The importance of an accounting system for the Federation
- o Identification of the information needs of the Federation and its businesses. This in turn leads to the identification of different accounting documents.
- o Creation of basic accounting documents with members participation.
- o Basic accounting documents are included in the report. The annex on Baltram's second training session includes examples of the accounting documents created by Federation members in Chadian Arabic.

Recommendations:

Eli Mbaiamnda who works at the Cholera warehouse should assist the Federation personnel in filling out the business documents. The consultant does not recommend that he fill out a separate set of accounting documents. This would be a disincentive to Federation Personnel to complete their jobs as they are not likely to have the same skills level as he has.

Monthly training sessions should be organized for the Federation controllers "commissaires aux comptes" and other board members to review the business journals and bank statements. This should also include the creation of a monthly Profit and Loss Statement and Balance sheet.

Monthly training sessions will also assist the Federation to develop a routine so that operation of the management information system becomes a habit.

After completing these documents the management committee should present the financial results at each monthly meetings. Communicating these results on a timely basis is fundamental to the well being of the Federations management information system. This should also include a resume of any problems or notable occurrences in the month.

The management committee should also spot check how well this information is getting back to group members.

Financial Analysis skills

ACDI should encourage board members and management committee members to identify trends in the business in both the Profit and Loss Statement and Balance sheet and the reasons for these changes.

Simple techniques for analyzing the P and L and the Balance sheet should be presented. Basic business ratios should be introduced six months to a year from now.

Marketing

A sound marketing plan is fundamental to starting a successful business. This includes knowing ones market, customer tastes, product, distribution system and ones competition. See the business plan in (annex I) for questions to ask.

Current Status:

Through the training on the business plan, board members and ACDI staff were introduced to the elements of a marketing study. This provides them with a frame work and methodology including questions which will allow them to do their own marketing study. This will also allow members to discuss marketing problems in a more structured and profitable manner.

Marketing Problems

- o Clients needs. How to reach new clients?
- o Publicity. How to effectively reach ones target group.
- o Difficulties channeling produce through the new warehouse.
- o Inability to get members to respect the rotation schedule for tomato and vegetable delivery from the Karal/Baltram area to N'djamena
- o Difficulties with commission brokers
- o Transportation problems

Recommendations:

Federation members should practice doing a marketing plan within the context of an overall business plan. This will help Federation members to look at the global picture as opposed to dealing with each marketing problem as a discrete issue. This approach stresses the interrelated aspects of marketing. Thus instead of saying " we have a transportation problem. How do we solve this?" Federation members will ask the question, who are our clients? What do they want? How can we best serve these needs?

Banking

Training needs:

How banks operate. How to open an account. Basic banking documents: How to read them (check book/bank statement). How to reconcile a bank account.

How are deposits/withdrawals made at the bank? What should be written on the deposit slip.

Current Status:

The Federation president has received training in how a bank operates and what services they offer. He has also received information about steps to opening an account and how to use it correctly.

Opening a bank account:

1. Federation members have to provide three documents to the bankers to open the account.

- o A document with the signatures of the members of the board (this document already exist in Karal)
- o A letter requesting the opening of a bank account including the names of members having signatory responsibilities.
- o A letter from the Director of the ONDAH

Recommendations:

Other board members and enterprise personnel need to learn about bank operations. ACIDI staff should carry out a couple of training sessions for Federation members to familiarize them with bank operations and procedures. This should involve on-site visits to banks as well as sessions going over the purpose and filling out of different bank documents.

Functional Literacy and Numeracy

Without the creation of a fairly large corps of members who can follow the associations activities and business, there is a real danger that any cooperative will be run by a special interest group, within the cooperative, to the detriment of the overall membership.

Given that each group, within the Federation, has its own organizational structure: President, Secretary, Treasurer, focus should

be on training these groups as well as general membership. Bringing these people together for training sessions will upgrade their skills, help create a feeling of cohesion and esprit de corps and will also provide the Federation with a pool of capable personal to occupy positions within the Federation.

Current status:

The training sessions held by the consultant illustrated that The majority of board members can read and write in Chadian Arabic and also do basic math calculations. This strong core of board members needs to be expanded.

Recommendations:

ACDI staff should focus on using local resources such as VITA and Oxfam to develop a functional literacy and numeracy program centered on basic business skills. This program would identify the skills necessary to understand and fill out the business documents. Members could also be introduced to the use of calculators. These do not have to be time consuming training programs as these skills can be taught in a two week training program. Following such a program refresher sessions can be held once a month.

Training Human and Financial Resource Needs

ACDI staff itself has the basis for providing several competent business and marketing trainers. This will require a Training of Trainers workshop for them as well as the rest of the staff.

Recommendations:

To identify competent local trainers and use short term contracts to provide specific training needs. Training sessions should be divided into discrete modules. This will allow ACDI to test out some local trainers and identify the most competent.

ACDI staff should also receive a two week training course in Training of Trainers.

Recommend a trip for some of the ACDI personnel directly involved in working with the Federation to visit some cooperatives training programs in neighboring countries. Short courses are available in Cotonou, Benin and in Burkina Faso near Bobo Dioulasso. In Burkina it would also be interesting for an ACDI staff member to see how the functional literacy program works.

I strongly recommend that the local ONDR representative Ramadan Hassan be sent for a one year training program in cooperatives and cooperative enterprises to Cotonou, Benin as soon as possi-

ble. This is crucial in order for the Federation to develop their own management capacity.

C. TRAINING CONCLUSIONS

Symbiotic Relationship

Cooperative and business management skills are complementary. Without focusing on both there is a real danger that deficiencies in one will hold down the other. Unless both areas are taken into account it will have a negative effect on the technical areas of marketing/business.

Time Frame

Cooperative and business management skills require a major commitment of time, personnel and resources. Training sessions should be part of a coherent plan in order to achieve long term sustainable development.

Invalidity of Original Project Hypothesis

The assumption that other organizations both governmental and non-governmental can provide these services has proved false as seen by the weak level of Cooperative understanding and skills in the Karal - Mani region. These efforts need to be supplemented by a coherent training program on ACIDI part which includes the addresses the elements cited above.

IV. FEDERATION MANAGEMENT SYSTEM

A. PERSONNEL/BOARD REGULATIONS

For people working for the Federation businesses as well as board members rules of conduct should be spelled out. This includes offenses which will result in some one losing their position or job. As much as possible signed contracts should be used even for board members.

E. GENERAL BOARD RESPONSIBILITIES

- o Contracts. The duties and responsibilities of personnel and officers of the Federation should be decided/approved by the board. These should be drawn up formally and signed by the different parties. This is particularly important in the case of the N'djamena warehouse.
- o Hold regular meetings at the group level.
- o Inform group members of decisions made at the board meetings, activities of the association, up-coming items on the boards agenda
- o Attend board meetings.
- o Inform other board members of group members wishes.
- o Report results of each business and where the money is or how it has been used.

Selection criteria

- o Have the respect of their peers
- o Good communication skills

C. BOARD POSITIONS

PRESIDENT:

Responsibilities:

- o Representing the association as mandated.
- o Responsible for giving board members permission to speak at meetings.

- o Co-signing checks
- o Works as a facilitator to help the board reach agreement and to effectively debate issues.
- o Trouble shooting management problems as mandated by the board when a consensus has been reached.

Selection Criteria:

- o Functionally literate and numeric
- o Be relatively well off
- o Honest
- o A good group facilitator

VICE PRESIDENT:

Responsibilities:

- o Responsible for chairing meetings in the absence of the President.
- o Responsible for taking over other duties of the President during his absence.
- o Participates as an active board member.

Selection criteria:

- o Functionally literate and numeric
- o Be relatively well off
- o Honest
- o A good group facilitator

AMBASSADORS/REPRESENTATIVES:

Responsibilities:

- o Mandated by a board member to represent them in their absence.

Selection criteria:

- o Same as board members

SECRETARY:

Responsibilities:

- o Communicating meeting agendas to board members.
- o Board meeting minutes.
- o Informing members of new meetings.
- o Responsible for guarding the Federation stamp and stamping official Federation documents "proces verbales" and business documents such as receipt books and financial statements of the Federation.

Selection Criteria:

- o Functional literate and numeric in Chadian Arabic or French
- o Preferably have prior experience at the group level.

TREASURER:

Responsibilities:

- o Keeping bank records/receipts.
- o Making regular reports to the board on the financial situation of the Association subscription fees and business revenues and expenses.
- o Differentiating receipt book for each business, including the treasurers receipt book.
- o Handing out new receipt books to each business.

Selection criteria:

- o Honesty (this should include a proven track record at the group level)
- o Functionally literate and numeric in Chadian Arabic or French.
- o Prior experience at the group level

CONTROLLERS:

Responsibilities:

- o To go over the records of each business and confirm their accuracy. This should include regular periodic visits at reporting time as well as unannounced spot checks throughout the year. To report to the board on a regular basis.

Selection Criteria:

- o Controllers should be functional literate and able to add and subtract . Functional literacy in this case means being able to understand the accounting documents being used by the association and being able to audit the accounts in an effective manner.
- o Members holding elected office President, Vice-President, Secretary, and Treasurer or Federation business staff can not hold these positions.

ADVISORS:

People who are knowledgeable about different domains of action in which the association is engaged. This can be both in terms of business skills for people such as transporters/commission agents/or even a member who is particularly knowledgeable on group discussion facilitation. Advisors should not just be from NGO or government organizations. Having members who are advisors institutionalizes the importance of member input.

D. COMMITTEES

General Statement of Purpose

The general purpose of committees is to help delegate responsibilities in an effective manner and to encourage the broadest participation on the part of the membership. It also allows member to concentrate on particular areas. Committee membership should turn over on a regular bases. Doing a partial rotation is important as to not lose everyone's experience at the same time.

Management Committee

Role: To inform the board on specific business issues for a particular business.

Each business should have its own management committee

The management committee may not be needed initially while the general board staff gets organized. The management committee should be responsible for informing the general board on business issues. The association should pay travel and nominal food expenses of each committee during regular authorized business trips.

Training Committee

Role: To identify training needs of board members, business staff, and general membership.

After identifying training needs the Training committee should present these needs to the board. Following board discussion and approval the training committee should seek sources of training support.

The training committee should also plan a training calendar. The proposed training calendar should be presented to the board for approval.

New Members Committee

Role: To inform other groups of the Federations activities and encourage new membership. To follow up on dues for new members.

E. BUSINESS PERSONNEL

CHIEF COMMISSION BROKER

Selection criteria:

- o Honesty
- o Experience and contacts (clientele)
- o Warmth towards producers

Duties

- o Supervises the activities of the other commission brokers
- o Finds clients for producers goods in a timely manner
- o Responsible for producer tea cases and sacks lent to clients
- o Signs off on the Secretaries inventory list of goods received and sold

- o Insures that the Federations Secretary is paid storage fees on a timely basis. Time period to be determined by the board.
- o Informs Federation Secretary of merchandise being sent to another market for sale at the time of its removal from the warehouse. Failure to do so should result in him paying the sum in question.

INDEPENDENT ACCOUNTANT

This should be someone who is neither a member of the association nor a project staff member. Once a year they should go over the books with the association controllers and help present findings to the board.

This person can also indicate technical weaknesses which need to be addressed in ongoing business training sessions

V. ELEMENTS/PARAMETERS AFFECTING FEDERATION MANAGEMENT SYSTEM

- o MARKET ORGANIZATION : COMMISSION BROKERS
- o DISTANCE OF FEDERATION FROM N'DJAMENA
- o BANKING SYSTEM
- o MULTI-FUNCTIONALITY FEDERATION ENGAGED IN DIFFERENT ECONOMIC ACTIVITIES/ MULTIPLE DC-NORS
- o LITERACY AND NUMERIC LEVEL OF POTENTIAL STAFF AND BOARD MEMBERS
- o SIZE OF THE FEDERATION/ DISTANCE BETWEEN MEMBER GROUPS

A. COMMISSION BROKERS

Reputation and a functioning network of retailers are crucial elements which a well known broker bring with them. Their clientele is transferable if they move to a new place or hangar. This relationship is crucial to successful operations in the fruit and vegetable whole sale business in N'djamena. The decision as to where (which market) and to whom (which commission broker) the producer trader will sell to are made before the produce leaves the Karai - Mani region.

The commission brokers role is based upon trust, family, village or regional ties. It is a role which transcends most borders in Africa. Commission brokers play a fundamental role in the way products are marketed and are very difficult to avoid.

If there are several commission brokers in a hangar one acts as the chief. In this relationship he/she supervise the other a brokers and receives all brokerage fees. These payments are in turn divided among the other brokers by the chief broker.

B. DISTANCE OF FEDERATION FROM N'DJAMENA

The distance of the growing region from Karai makes it difficult for the Federation to use someone currently living and farming in the region. As this would involve the person relocating to N'djamena. The Federation has already experienced some problems in this area.

Effective Controls

The distance from N'djamena and the fact that they may have to hire a relative stranger to fill the post of secretary means that effective controls are crucial.

Feedback System

The Federation needs to set up an effective feedback system so that they can monitor producer satisfaction with the service that they receive.

C. BANK BTCD

Checking Account

To open a checking account requires an initial deposit of 50,000 CFA. After three deposits the account holders can obtain a check book. Service charges are 4,000 CFA every six months.

Signatory Rights

The choice of people having signatory rights is up to the Federation. In addition to normal board members such as the president and secretary this can also include board appointed controllers. Each check can be signed by two individual having signatory powers.

Opening Savings Accounts/Term Deposits

At the BTCD it is impossible, according to the branch manager, for the Federation to open a savings account. It is possible, however, for two members of the board to open up a savings account with double signatory requirements. However, this account is not in the name of the Federation which could pose some potential problems. The minimum amount for opening a savings account is 5.000.0000 CFA.

Another alternative is for the Federation to make a term deposit

Loans

It is possible for the Federation to obtain a loan from the BTCD. This will depend upon their track record: The regularity and volume of deposits and withdrawal.

Guaranties

The BTCD will accept buildings or new vehicles as guaranties for loans. This requires that there be a document called a "mise en valeur".

As the business operations of the Federation multiply they may wish to open several accounts to avoid confusion between funds.

D. MULTIPLE BUSINESSES

Current Businesses generating revenues

Storage/marketing (fresh/dried vegetables, cereals)

- o Warehouse N'djamena (marketing cereals/ produce)

Planned

- o Warehouse Karal
- o Purchase/sales gumbo and dried tomatoes
- o Seed production/multiplication and sales

Separate Books

Each of these businesses should have separate books. This will allow the Federation to effectively measure the contribution and cost of each business and the share of Federation capital.

In some cases due to different donor sources the Federation will have to be able to track these resources separately.

The individual P & L and Balance sheets can be combined together to give the Federation a global view of where they stand.

E. LITERACY AND NUMERACY OF BOARD AND BUSINESS PERSONNEL

Among the board members the majority read, write and do simple calculations in Chadian Arabic. This makes it possible to develop a management system in Arabic. Federation members should be encouraged to use these skills.

F. SIZE OF THE FEDERATION/DISTANCE BETWEEN MEMBER GROUPS

The number of groups, sixty one and the distances between many of the groups which can be as much as forty kilometers makes it crucial to have a regular system of communication to inform members of how their money is being used.

VI. GENERAL ADMINISTRATIVE PROCEDURES

A. USE OF BOUND JOURNALS

It is important for the association to use note pads of a permanent nature. Single loose sheet should be avoided at all cost as they are easy to lose and easier to change. This is particularly true of the subscription register holding the names of members, their signatures and their dues.

B. FEDERATION STAMP

All receipts handed out by Federation should have the stamp of the Federation and should be numbered. The treasurer should be responsible for guarding these documents, supplying them to each business and noting which numbers have been given to which business.

People doing business with the Federation should be shown the receipts by board members and be informed that any other receipt will not be recognized by the Federation, in case of any problems. The receipt book for each business, including the treasurer's receipt book, should be differentiated by some system which association members can decide (color, number etc.)

The best approach is to have numbered receipt books printed up with the name of the association. This is easier to keep track of and more difficult to falsify or use another receipt book. These are relatively expensive. In the case that this proves to be expensive for the Association they can buy small receipt books in the market place in N'djamena 25 receipts for 200 FCFA.

C. CONTRACTS

The duties and responsibilities of personnel and officers of the Federation should be decided/approved by the board. These should be drawn up formally and signed by the different parties. This is particularly important in the case of the N'djamena warehouse.

D. PERIODICITY OF DEPOSITS

Question for the board as to how often should this be done. Daily, weekly, monthly. What are the factors which they need to look at?

- o Amount in the cash box
- o How much is needed for daily expenses
- o Difficulty in writing checks with members having signatory right not living in N'Djamena

o Strikes

E. DIRECT DEPOSITS

Revenues from the warehouse in N'djamena should transit directly to the bank. Remittances should not be made directly to board members or to the cash box.

F. CASH BOXES

Federation Businesses

The cash box for each business should receive its money by check from the bank. Revenues should not pass through the cash box.

Federation

This should be used mainly for subscription funds.

G. LANGUAGE OF BUSINESS DOCUMENTS

Business documents should be in Arabic. ACDI should have a set of the Federations accounting documents with subtitles, in French. This will permit non arabic speakers to understand the documents.

Issues to be addressed: The level of literacy and numeracy training in Chadian Arabic does not appear to be very well developed. There are also difficulties in that many educated Chadians may be familiar and able to write in Literary Arabic but not in Chadian Arabic.

VITA and OXFAM are doing some elementary accounting systems (revenues, business expenses, personal expenses, reimbursements and savings). This documents are done using designs and symbols as well as in Chadian Arabic. VITA has hired a trainer Moukhtar Sambo whose job is to give one day training sessions to entrepreneurs requesting loans. This one day training is repeated the following week. The VITA trainer Moukhtar Sambo also acts as a intermediary, translating the accounting documents for use by VITA credit agents.

H. INTERNAL CONTROLS

The crucial factor is that sufficient Federation members be capable of following the accounting system set up so that the Federation can provide its own system of controls. This will require some form of functional literacy and numeracy training as well as practice using the documents.

I. EXTERNAL CONTROLS

An external audit should be performed every six months or once a year. This should be done by a source other than ACDI staff. During an initial period ACDI may wish to underwrite some of this cost. Giving this control function to an external source will reduce any potential frictions between the Federation and ACDI staff. It will also allow staff to concentrate on their training/support role and make communication easier.

VII. ACCOUNTING/BUSINESS DOCUMENTS

A. MEMBERSHIP/SUBSCRIPTIONS REGISTER (REGISTRE DES MEMBRES)

Subscription funds from member should all be placed in a permanent register, as stated in the statutes of the Federation. This should include the date, member's name and signature amount subscribed and the name and signature of the person who received the funds.

B. BANKING DOCUMENTS

Bank statements (Releve de compte)

Bank Journal deposits/withdrawals

This journal is kept by the Federation to monitor deposits and withdrawals from their account.

Bank reconciliation form

This form is used to reconcile the bank statement and the check book

C. INVENTORY/REVENUE JOURNAL

This register list the produce moving through the warehouse by type and by broker. Currently, the Federation board members prefer to not differentiate by broker or type of produce. As board members become use to their documents and further develop their management information system they may wish to differentiate among product type and broker to clearly identify trends and resource centers as well as efficiency of individual brokers working in the warehouse.

Weekly/Monthly revenue statement (Recapitulatif de recettes)

This document recapitulates storage fees per week or by month for all produce. The numbers come from the Inventory/revenue journals

D. CASH JOURNAL (LIVRE DE CAISSE)

Records entries and disbursements. Initially this can be done without attributing amounts to cost centers. Afterwards the personnel can fill out an expense journal according to cost centers. Each business should have its own cash and expense journal. The cash journal should be filled out as the expenses occur. As much as possible disbursement should be justified with receipts.

E. DEBTORS RECORD (EFFETS A RECEVOIR)

This document list people or organizations owing money to the Business.

F. SUPPLIERS OR CREDITORS RECORD (EFFETS A PAYER)

This document list suppliers or creditors who have loaned money or consigned goods to the business.

G. FIXED ASSETS JOURNAL

This document list the equipment and buildings belonging to the Federation as well as the amortisation schedule.

Fixed assets records (requires understanding also of straight line amortisation) Purchase date, item, cost , life, yr. deprec.

H. PROFIT AND LOSS STATEMENT (COMPTE PROFIT PERTE)

The profit and loss statement is a document which compares revenues to expenses over a given period of time. Each business started by the Federation should have its own P & L statement.

The P & L statement should be filled out every month for the first six months after this it can be done every three months with a yearly P & L statement at the end of the year. Afterwards this can be broken down into periods which correspond to different business cycles.

I. CONSOLIDATED PROFIT AND LOSS STATEMENT (COMPTE PROFIT PERTE CONSOLIDE)

The separate P and L statements should be combined to provide a global view of how the Federation as an Economic entity is doing.

J. BALANCE SHEET (BILAN)

Each business should have its own balance sheet. The balance sheet provides a photograph at a specific point in time of the businesses resources capital and loans and the use to which these resources have been put. It allows Federation managers to see how their funds are being used.

K. CONSOLIDATED BALANCE SHEET (BILAN CONSOLIDE)

This gives Federation Managers a global view of how Federation resources are being used.

ANNEX I BUSINESS PLAN

This is crucial for the Federation. A well made business plan allows board members to avoid, as much as possible, discouraging members at the beginning through poorly thought out business endeavors. The business plan is also important as a mandate for the board and for use with bankers.

Through the business plan Federation board members develop a process for harvesting members ideas processing and testing these ideas in order to prioritize activities and select appropriate business endeavors.

This is of critical importance to any businesses success. This allows cooperative members to plan out the activity and to asses its economic and financial viability. The business plan also allows coop members to establish the hypothesis upon which the business is to be created.

INVESTIGATION

Through investigation cooperative members are then able to clarify as much as possible these hypothesis to see if they will hold up. This is also a good way to asses how serious the Federation or group is about following up and developing their business ideas.

IMPORTANCE AND ELEMENTS

WHAT IS THE OBJECTIVE OF THE BUSINESS?

WHAT OTHER ALTERNATIVES ARE OPEN TO THE FEDERATION?

WHAT ARE THEIR PRIORITIES?

THE BUSINESS PLAN CAN HELP FEDERATION MEMBERS TO DECIDE AMONG DIFFERENT ALTERNATIVES WHICH ONE IS THE MOST PROFITABLE FOR THE INVESTMENT REQUIRED?

RESOURCE INVENTORY

WHAT RESOURCES ARE OPEN TO THE FEDERATION OR GROUP? BOTH HUMAN AND MATERIAL AS WELL AS FINANCIAL? IT IS CRUCIAL TO INITIALLY FOCUS ON THEIR PROPER RESOURCES BEFORE CONSIDERING OUTSIDE SOURCES.

WHAT EXPERIENCE DO MEMBERS HAVE IN THE PROPOSED ACTIVITY?

MARKETING PLAN

PRODUCT

SOURCE AVAILABILITY
QUANTITIES
SEASON

DISTRIBUTION

HOW DOES THE FEDERATION OR GROUP PLAN TO DISTRIBUTE OR SELL THEIR PRODUCT?

HOW DO COMPETITORS DO THIS IN THE BUSINESS IN WHICH THE FEDERATION WISHES TO GET INVOLVED?

WHAT ARE THE PERCEIVED ADVANTAGES OR DISADVANTAGES TO THE SYSTEM PROPOSED BY THE FEDERATION OR GROUP?

WHAT ARE THE TRANSPORTATION REQUIREMENTS?

PRICING

WHAT ARE CURRENT MARKET PRICES? HOW DO THEY CHANGE?
WHAT PRICES DO THE COMPETITORS CHARGE?

WHAT IS THE IMPORTANCE OF THE SEASON IN TERMS OF BOTH PRICE AND POTENTIAL REVENUES?

WHAT IS THE PLANNED PRICING STRATEGY OF THE FEDERATION OR GROUP?

CLIENTS

TARGET GROUP - JUSTIFICATION

WHAT IS THE PLANNED TARGET GROUP?
WHAT ARE THEIR TASTES? WHAT DO THEY WANT?
WHAT IS THE SIZE OF THE MARKET?

HOW ARE YOU GOING TO REACH YOUR TARGET GROUP?
WHAT PART OF THIS MARKET DOES THE FEDERATION PLAN TO OCCUPY?

PUBLICITY

WHAT ARE THE BEST WAYS TO ATTRACT YOUR CLIENTS AND LET THEM KNOW ABOUT YOUR PRODUCT?

WHAT ADDITIONAL SERVICES WILL YOU OFFER?

OPERATING NEEDS

PERSONNEL NEEDS

WHAT SORT OF PERSONNEL DO YOU NEED TO RUN THE BUSINESS?
WHAT ARE THE DIFFERENT ALTERNATIVES?
WHAT WILL EACH ALTERNATIVE COST?

TRANSPORTATION

WHAT ARE THE ALTERNATIVES?

WHAT ARE THE COST ASSOCIATED WITH EACH ALTERNATIVE?

EQUIPMENT

WHAT EQUIPMENT IS NEEDED?

WHAT ARE THE ALTERNATIVES?

WHAT ARE THE COST ASSOCIATED WITH EACH ALTERNATIVE?

OTHER OPERATING COSTS

PURCHASE OF GOODS

ELECTRICITY/WATER

BANKING FEES/ INTEREST

REVENUES

SOURCES OF REVENUES?

BY SOURCE OF REVENUE WHAT DO YOU ESTIMATE THE REVENUES TO BE?

SEASONALITY? WHAT IS THE PERIOD DURING WHICH EACH TYPE OF REVENUE WILL BE GENERATED?

PROVISIONAL PROFIT AND LOSS STATEMENT

PUT TOGETHER THE REVENUES AND OPERATING COST TO CREATE A PROVISIONAL P & L STATEMENT FOR THE YEAR

FINANCE

BUDGETING/CASH FLOW PROJECTIONS

HOW MUCH MONEY DO YOU NEED FOR START-UP COST?

FIXED ASSETS ETC.?

HOW MUCH TO PURCHASE STOCK? STOCK TURNOVER ASSUMPTIONS?

HOW MUCH FOR DAILY OPERATING EXPENSES?

WHERE WILL THE MONEY COME FROM?

WHAT RESOURCES ARE AVAILABLE TO THE INDIVIDUALS/FEDERATION?

BALANCE SHEET

THE RESOURCES OF THE FEDERATION OR GROUP CAN BE PUT TOGETHER IN AN OPENING BALANCE SHEET. THIS WILL ALSO SERVE LATER ON AS A BENCH MARK FOR THE FEDERATION TO HELP MEASURE PROGRESS?

Management Information Systems

What information does the Federation or Group need to follow to run their business effectively?

ANNEX II
ACCOUNTING DOCUMENTS

JOURNAL DES RECETTES

NOM DE L'INTERMEDIARE _____

PRODUIT _____

PERIODE _____

CLIENT	ENTRE	VENTE	FRAIS STOCKAGE	SIGN/INTERMED	OBSERV.
--------	-------	-------	-------------------	---------------	---------

SOUS TOTAL _____

RESUME INCOME (RECAPITULATIF DE RECETTES)
MENSUELLE/HEBDOMADAIRE

PERIODE:

DE _____ A _____

PRODUIT	NBR. DE CAISSE/SACS	CHARGE UNITAIRE	SOUS TOTAL
---------	---------------------	-----------------	------------

TOMATE F.

MELON

PASTEQUE

TOTAL DES RECETTES _____

REGISTRE DES SOUSCRIPTIONS

GRUPE	PART SOCIAL	DATE RECU	SOUSCRIPTION CONSTUC.
-------	-------------	-----------	-----------------------

MEMBRES

ENTREPRISE: HANGAR CHOLERA
PERIODE

EFFETS A RECEVOIR (ACCOUNTS RECEIVABLE)

DATE	LIBELLE	PERSONNE	MONTANT RECU	MONTANT REMBOURSE	SOLDE
2/3		ABDULLAH	30.000	5.000	25.000

EFFETS A PAYER (ACCOUNTS PAYABLE)

DATE	LIBELLE	PERSONNE/ ORGANISME	MONTANT RECU	MONTANT A REMBOURSE	SOLDE
4/5/92	AVANCE CONSTRUC.	ACDI	1.000.000	700.000	300.000

CAHIER D'EQUIPEMENT ET D'AMORTISSEMENT

DATE	LIBELLE	PRIX D'ACHAT	DUREE VIE PREVU	AMORT. ANN/MEN	SOLDE
5/1/92	MACHINE A FROID	180.000	6	30.000	

JOURNAL DE BANQUE

DATE	LIBELLE	ENTRE	SORTIE	SOLDE
------	---------	-------	--------	-------

JOURNAL DE CAISSE

DATE	LIBELLE	ENTRE	SORTIE	SOLDE
------	---------	-------	--------	-------

RECAITULATIVE DES DEPENSES

DATE	LIBELLE	AFFECTATION PERSONNEL ELECTRICITE	L'EAU
------	---------	--------------------------------------	-------

COMPTE PROFIT/PERTE
HANGAR N'DJAMENA
AGDERUMKA

DE _____ A _____

REVENUES

STOCKAGE GRAND HANGAR _____

STOCKAGE CHAMBRE FROIDE _____

AUTRES _____

TOTAL REVENUES _____

FRAIS DE FONCTIONNEMENT

FRAIS DE PERSONNEL _____

FOURNITURE DU BUREAU _____

FRAIS DE TRANSPORT/DEPLACEMENT _____

FRAIS D'ELECTRICITE _____

FRAIS D'EAU _____

FRAIS DE REPARATION D'EQUIPEMENT

DIVERS _____

AGIOS/INTERET BANQUE _____

TAXES HANGAR _____

AMORTISSEMENT EQUIPMENT _____

AMORTISSEMENT HANGAR _____

TOTAUX DE FRAIS _____

PROFIT OU PERTE _____

LE BILAN
AGDERUMKA
HANGAR N'DJAMENA

DATE _____

ACTIF	I	PASSIF
IMMOBILIER	I	COTISATION CONSTRUCTION
TERRAIN	I	PART SOCIAL
BATIMENT	I	PROFIT REINVESTIS
	I	EFFET A PAYER
EQUIPMENT	I	CREDIT (PAR ORGANISME)
FOURNITURE DE BUREAUX	I	LONGUE TERME
CREDIT AUX CLIENTS	I	
BANQUE	I	COURTE TERME
CAISSE	I	
<hr/>		
TOTAL _____	I	TOTAL _____

JOURNAL DE CAISSE
AGDERUMKA
HANGAR N'DJAMENA

DATE LIBELLE ENTRE AFFECTATION SORTIE AFFECTATION

JOURNAL DE BANQUE

DATE	LIBELLE	VERSEMENT	RETRAITE	SOLDE
30/5/92	RAPPORT			25.000
5/6/92	RECETTE H.	75.000	000	100.000

**ANNEX III
BUDGET**

Revenues

User fees from brokers/storage fees main hangar

Storage fees for vegetables kept in the cooling room.
Guard fees ?

Could/would the association sell water?
Need to discuss this whole question of the cooling room its function and use. How could this be run profitably? Need to set up some assumptions for this.

Revenue Assumptions

Percentages of tomatoes which are currently held over until the next day

Fixed costs

Construction of building (including costs of obtaining permits) to be depreciated over 10 years

Installation of water/electricity/cooling system (to be depreciated over 10 years)

Variable costs

Overhead cost (cost of board members visits to business?)

marketing cost (particularly for start-up)

Taxes on hanger (officially 750 CFA/square meter at 300 sq. meters this is equal to 225,000 CFA/month)

Water.....cost per square meter

Electricity....cost per kilowatt hour

Equipment repair (air cooler)

Transportation/travel expenses

Building Repairs..mainly roof/roof holders/replastering walls

Staff/Secretary

Depreciation of building

Depreciation of equipment

Interest payments (in the case of a loan)

Expense Assumptions/questions

Nbr. of months that the cooling system will be used 2/3?

Will the water and electricity be used the rest of the year?

Q. Personnel costs/Who is going to sell the tomatoes?

Currently looks like a secretary

2. What is the personnel set up at M. Angonni's
Answer three people brokers plus a guard

3. What would it cost to hire a manager and night guard?

- o secretary.....30.000 CFA
- o accountant.....50.000 CFA
- o guard (full time....

N.B. The guards are usually paid by the case or sack for vegetables. In the case of cereal the broker must sleep with the grain

Q. Could the association earn any money by hiring a guard and providing guard service. This is a fairly large percentage of the potential revenues.

4. If the Association hires one of the members or a young resortissant to work in the warehouse the tendency on their part will be to not pay them or to give them an inadequate pay. Given that the job of recording in going and outgoing stock is an onerous one this could easily lead to development of the free enterprise system.

Transportation

The farmers do not pay their round transportation. This is included in the cost of the transportation of the produce. However this means that they have to return the same day with their transporter! Otherwise they would be obliged to pay the return trip.

If the farmer doesn't sell his produce the transporter brings him back and the producer pays later.

ANNEX IV
BALTRAM TRAINING SESSION I (May 30-31)

ICE BREAKER

Repetition and discussion of the Niger example of the cooperative whose problem was transportation. What were the real problems. Six months later all the trucks were non-functional.

SESSION I

Q. THE TRIP

What is needed to set up and run an effective business? This leads into a discussion of the elements of business management and also the issue of planning and setting the frame work of the business through the business plan.

Q. Roles and Responsibilities of Business and Board Personnel

This also includes setting criteria for each position. Don't forget to clarify the ambassador role in the Federation.

Q. What information/documents does one need to run the warehouse in N'djamena and the Federation.

Brainstorming session :

Step I What information does one need. Identify the basic documents.

Step II
Go back and get the specific information for each document.

Step III
Create format

Step IV
Do some examples with them if possible

G. Warehouse what are the problems facing the business.
Focus on marketing
Present the four P's of marketing to get members to focus on the issues.

Divide participants into four groups to develop the issues as they see them for each category.

Each group presents their findings to the audience. Which then gives feedback and adds new ideas.

Q. Prioritization/linkages/framework

Which problems are linked? Can they be separated? Which ones can the Federation board have an impact on as managers?

Q. Potential solutions strengths and weakness

FEDERATION PARTICIPATION WOULD HELP IF THERE IS ONE PERSON WHO CAN WRITE (SESSION SECRETARY) (SESSION PRESENTER)

PARTICIPATION OF ACDI STAFF IN THE TRAINING

Members of the ACDI staff will participate as facilitators in the individual group work. In the week prior to the training the consultants worked with them to help clarify the objectives of each session and their role as facilitators.

N.B. Get members to bring financial information to the meeting which we can use on some of the documents such as the P and L statement and Balance sheet.

Results

The main focus of the training was the business plan and defining management needs with specific selection criteria and job descriptions. There was active participation on the part of board members in both of these areas. Participants now understand the importance of planning and prior organization of a business. They also understand the basic elements which need to be incorporated in the business plan.

Using work groups and plenary sessions board members developed criteria and job description for the business personnel. They also. In the case of the Chief broker they also raised themselves the need to enter into a contractual relationship stipulating the responsibilities of both parties (Federation and Broker).

The last exercise was a practical one linking personnel responsibilities and cost to development of a business plan and managing the business in a cost effective manner. It stressed the importance of testing out hypothesis and what members would like to do with what is feasible.

BUSINESS DOCUMENTS

The majority of the accounting documents were identified during the personnel exercise. However, due to a lack of time partici-

pants preferred to schedule a day and a half session for Thursday and Friday June 4-5 to complete the work on the accounting documents. Given board members writing and numeracy level in Arabic they will be encouraged to do the accounting documents and business documents in Arabic.

ANNEX V
BALTRAM TRAINING SESSION II (June 4-5)

PARTICIPANTS:

Twenty four individuals received two days of training in accounting documents this included fifteen Federation Board Members Five ACDI staff members and four extension personnel from SECADEV.

SESSION I:

STEP I: SELECTION CRITERIA/RESPONSIBILITIES

Exercise in developing with Federation members selection criteria and responsibilities for the different jobs positions at the Cholera Market. The job positions included Secretary, Cashier, and a Manager.

STEP II: BUDGETING PERSONNEL COST

The second step involved developing a realistic pay scale for the different positions as well as deciding the personnel level which the Federation can currently afford.

SESSION II: DEVELOPMENT OF ACCOUNTING DOCUMENTS

STEP I: IDENTIFY INFORMATION NEEDS

The first step involved developing a list of different types of information which both the Federation and the Cholera warehouse business require.

STEP II: CREATION OF ACCOUNTING DOCUMENTS

The second step involved creation of each business document. This included identification of vocabulary, categories and layout of each accounting document in Chadian Arabic.

The session started with the Profit and Loss Statement and Balance sheet and involved clarifying the function and the differences between each document. Following these "documents de synthese" as they are called in French the second part involved creation of individual documents to fulfill the information needs of these two documents.

Attached are example of some of the documents created by Federation members. Documents created include the profit and loss statement, inventory journal, cash box journal, accounts receivable journal, bank journal.

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Periodo d'execution.

الکلمک
* 06.2011 * K

لاکوب لسانی الخفلا
Hague Vente des légumes

کراس دفتور

Journal de entrées

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اسم التاجر
nom du Producteur

Imda al Dalali

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Signature de
L'intermédiaire

Hadarat
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Produits

Période de l'action.

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AGDERUMKA

الحدوك

Hangar vente des Legumes

راكوب لساقي انظار

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مكتب الحسابات

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Rakuba suk al KHadar

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Journal de caisse

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Hangar vente des Legumes

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صفر بالرنول

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Journal de recette.

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