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USAID/NEPAL'S EDUCATION FOR INCOME GENERATION PROGRAM (EIG)

ENTERPRISE DEVELOPMENT FACILITATION GUIDELINE

JULY 2011

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DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ABBREVIATIONS

BDS	Business Development Services
BDSPO	Business Development Service Providing Organization
CPA	Commercial Pocket Area
CBO	Community Based Organization
DADO	District Agriculture Development Office
DFO	District Forest Office
DLSO	District Livestock Development Office
DU	Distillation Unit
EIG	Education for Income Generation
GO	Government Organization
ICT	Information and Communication Technology
I/NGO	International/National Non-Government Organization
LRP	Local Resource Person
LSP	Local Service Provider
MIT	Micro Irrigation Technologies
MPC	Marketing and Planning Committee
NTFP	Non-Timber Forest Product
PE	Potential Entrepreneur
R/M	Repair/Maintenance
SME	Small and Medium Enterprise
SP	Service Provider
VDC	Village Development Committee

BACKGROUND

Winrock International has been implementing USAID Nepal's Education for Income Generation in Nepal Program (EIG) in partnership with IDE Nepal, CEAPRED and other national level partner organizations aiming to alleviate poverty and mitigate conflict since October 2008. It has four main thematic components: i) improved literacy, life skills and peace building, ii) increase vocational training and employment opportunities, iii) agricultural productivity and enterprise training and iv) scholarships distribution.

Component three which is agricultural productivity and enterprise training has *enterprise development* as one of the important sub-components which aims to train 10000 youths in entrepreneurial skills for generating employment opportunities. EIG has sub-sector based commercial pocket area focused interventions for enterprise development. It promotes enterprise along the value chain of selected sub-sectors i.e. inputs suppliers, producers and output marketers. Identification of potential enterprises, their needs assessment and designing the intervention are the key process steps that systematize the enterprise interventions. This guideline is thus built to help defining the facilitation process for enterprise development.



Off-season vegetable under plastic house with drip irrigation, Surkhet

OBJECTIVE

The overall objective of this guideline is to provide technical guidance to the project staff on process for enterprise development facilitation. This guideline includes strategies, facilitation process and training curriculums.

STRUCTURE OF THE GUIDELINE

To give practitioners a good insight of theoretical and practical understanding on enterprise development, the guideline is structured into three broad sections. They are:

- i) Strategies
- ii) Facilitation processes
- iii) Capacity building training curriculum

The guideline provides additional practical tips useful for carrying out enterprise development activities at field level.

CHAPTER I ENTERPRISE DEVELOPMENT STRATEGIES AND TARGETS

I.1 STRATEGIES

Value chain based enterprise development

EIG works using a value chain approach for enterprise development. It promotes enterprises along the entire value chain of a sub-sector more specifically at the input supply level, production and output market level.

Agriculture pocket area focused enterprise development

Value chain describes the full range of activities which are required to a product or service from conception, through the different phases of production (involving a combination of physical transformation and input of various producer services), delivery to consumers and final disposal after use.

- Kaplinski and Moris (2003)

EIG concentrates enterprise development activities focusing on agriculture production pocket areas. Pocket areas are selected based on its i) access to market and road network and ii) availability of market infrastructures such as collection centers, hat bazaar etc. Although EIG targets at least 200 producer households, the large the *number of producer households, the more chances of commercial viability of input supply and output trading businesses.*

In EIG, four main sub-sectors have been selected. They are: i) vegetables, ii) livestock (goat), iii) NTFP/Essential Oils and iv) fishery

Promoting private sector local service providers

Promoting local service providers at the local level is one of the priorities of EIG which provides business services to the producers. Nursery operators, agro-vets, Community Sales Facilitators are just some of the examples of private sector local service providers.

Establishing and strengthening backward and forward linkage

Establishing and strengthening backward and forward linkages of the producers/producer groups with inputs suppliers and output traders is another strategy for sustainability of production activities at the local level.

A schematic diagram below shows the value chain approach, pocket area focused interventions and backward and forward linkages.

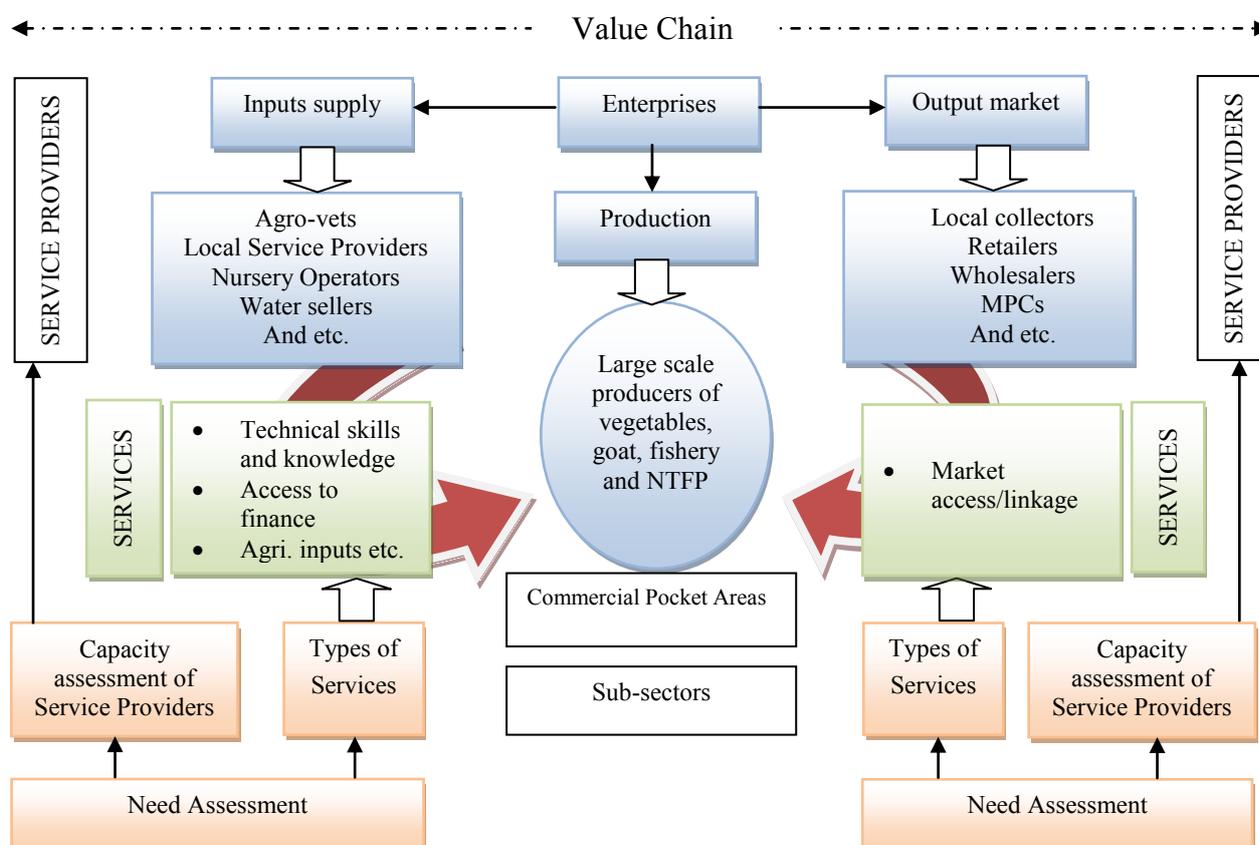


Fig 1 Schematic Diagram of Value Chain Based Enterprise Development Approach

Description of the Diagram

This diagram describes EIG's strategies for enterprise development. It shows different value chain actors along the value chain and their backward and forward linkages. Some of the key action points are as follows:

- 1 First, we select sub-sectors and production pocket areas. We can select pocket areas based on the sub-sectors such as vegetable production pocket area, livestock (goat) pocket area and so on.
- 2 Second, based on the nature of products and number of producers, we identify and help develop inputs supplying and output trading enterprises. Then, we establish and strengthen backward and forward linkage of these actors such as linkages of producer farmers and inputs suppliers and of producers with output marketers such as traders and collection centers. We also establish and strengthen linkage of local level entrepreneurs with the wholesale suppliers of agriculture inputs and the district level service providers.

1.2 TARGET BENEFICIARIES

Enterprise beneficiaries are the disadvantaged youths; the project’s targeted beneficiaries, which are as follows;

- Conflict affected youths of 16-30 years of age
- Ethnic, linguistic and religious minorities
- Dalits
- Women
- Karnali zone and other geographically remote youths

1.3 TYPES OF ENTERPRISE

There are two types of enterprises and the targets are calculated accordingly.

Type ‘A’ Enterprise

These types of enterprises are largely *large scale producers* of the selected sub-sectors. The criteria to be met by these enterprises are:

- Should have invested minimum 2000.00 NRs per year for fixed assets
- Should have hired labors for minimum 10 days in a year, and
- Should be created by EIG



Large scale vegetable producer, Bardiya

Examples are: large scale vegetable producers, essential oils, livestock (goat) and fish

Type ‘B’ Enterprises

These types of enterprises are *producer cum service providers*. Service providers are mostly inputs suppliers, output traders and the technical capacity builders. Enterprises like producer cum service providers should earn 3500.00 NRs. Or 50 USD from the supplementary sources either by buying or selling of products and/or services.



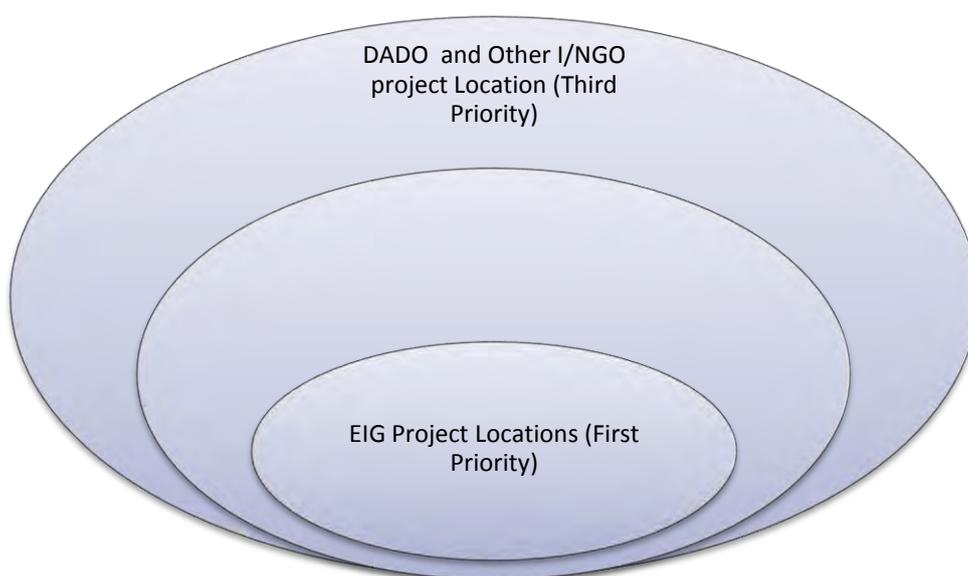
Vegetable producer group, Rolpa

Examples are: agro-vets, nursery growers, MIT suppliers, plastic house masters, LSPs, output traders and any other small scale producers who are partly involved in inputs supply such as seeds, seedlings and buying and selling of output products of their respective neighbors.

Enterprise Beneficiary Selection

Enterprise beneficiaries are selected from the production pocket areas. These pocket areas can either be within the EIG project location or outside it however the first priority should be given to EIG pocket areas then after can go to the other pocket areas developed by ex-Nepal SIMI project, DADO and others. Point to note is that we can coordinate enterprise development activities with DADO and others within the EIG pocket areas also. Fig 2 describes priority locations for enterprise beneficiary selection.

Fig 2 Priority Locations for Selection of Enterprise Beneficiaries



Assessing Commercial Viability of Enterprises

There are two types of enterprise targets in EIG and we should calculate the targets accordingly. One important thing to consider when calculating the target is the 'Commercial viability' of the enterprises. As it works focusing on pocket area, number of producers/producer groups in it indicates the level of service demand and based on this, we can assess whether the enterprise is commercially viable or not. Based on demand of services, we calculate tentative number of enterprises to be promoted by considering 18000.00 NRs that need to be earned additionally by each of the enterprise. Before to calculate possible number of enterprises, ensure the following things that have already been done:

- Sub-sector selection
- Selection of commercial pocket areas
- Identification of potential enterprises per pocket areas

For the calculation, please follow this:

- Assess the demand per pocket area
- Calculate total income (net income) from sales of product/services

- Divide total income by the expected level of income i.e. 18000.00 NRs. Tentative number of potential enterprises comes out.

See the Box I for example. It shows how to calculate the number of nursery growing enterprises to be promoted in one pocket area.

Box I Calculating Number of Nursery Growing Enterprises in a Pocket Area

Case: Nursery Growing Enterprise

Crop season: I (one)

Crop: Cauliflower

Commercial pocket area: A

Demand estimation

Number of vegetables producer	200.00
Average land under cultivation (ropany)	0.5
Total land under cultivation (ropany)	100.00
Seedling requirement (no. per ropany)	1500.00
Total number of seedling requirement	150000.00
Total income from sales	
Price per seedling (NRs)	1.00
Total income (NRs) ¹	150000.00
Income target (NRs)	18000.00
Total number of nursery growers ²	6.00

Therefore, potential number of nursery growers to be promoted is 6 for that particular pocket area. However, this number may vary as it depends on interest, up scaling possibility of existing nursery entrepreneurs etc. This way, we can ensure commercial viability and avoid possible unhealthy competition among similar types of nursery growing enterprises.

After the calculation of total number of enterprises, list them as below (Table I).

Table I Calculation of Enterprise Target per Production Pocket Area

Project Location	Pocket Area Description		Enterprise Targets				
			Inputs Supply Level Enterprises		Production Level Enterprises	Output Level Enterprises	
	Pocket Area	Number of Beneficiaries ³	Nursery Growers	Agro-vets	Producers	Local Trader	Collector

¹ This is net income.

² Dividing total income by income target gives number of nursery growers to be promoted

³ Number of beneficiaries includes both EIG and non-EIG pocket areas

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I.4 POTENTIAL ENTERPRISES

In respect to EIG’s strategies for enterprise development, some of the most potential enterprises are identified and are given as follows:

Input supply level enterprises are:

- | | |
|----------------------------------|---|
| Agro-vets | MIT dealers, |
| Mistries, | Nursery growers, |
| MIT manufacturers, | MIT assemblers, |
| Pump operators (water sellers), | LRP/LSP, |
| DU repairing technicians, | Plastic tunnel masters, |
| Pump mistries (R/M technicians), | Soil testing and treatment service providers etc. |

Production and processing level enterprises are:

- | | |
|-------------------------------------|---|
| Commercial producers of vegetables, | Commercial producers of livestock (goat), |
| Fishery and | NTFP (essential oils), |
| DU owners and employees and etc | |

Similarly, output market level enterprises are:

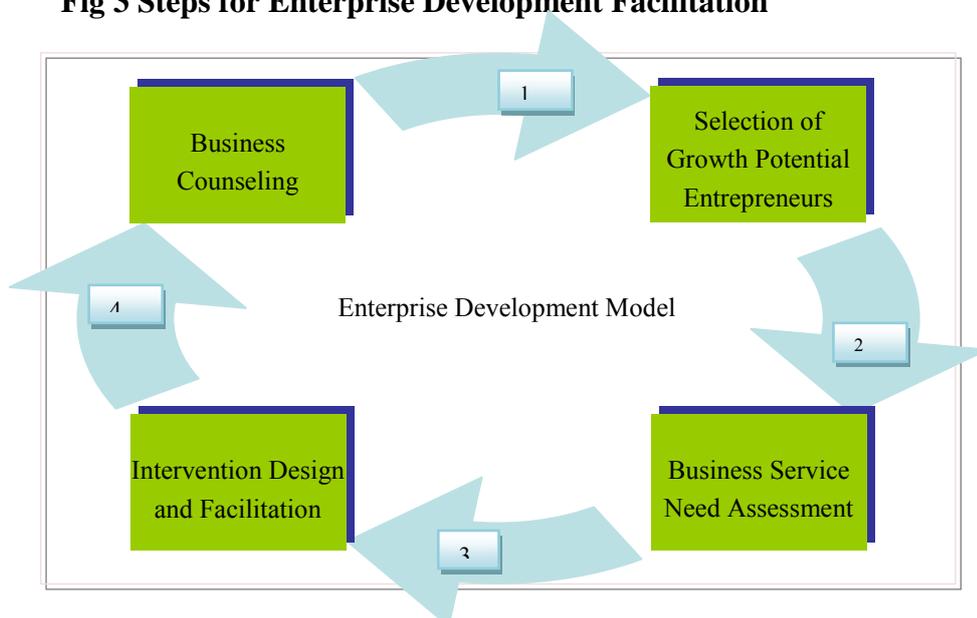
- | | |
|---------------------------------|----------------------|
| Retail traders at local markets | Local collectors and |
| Commission agents, | MPC employees etc |

CHAPTER 2 ENTERPRISE DEVELOPMENT FACILITATION PROCESS

2.1 FACILITATION STEPS

We have identified growth potential enterprises (chapter 1, page no. 3). After identification of those growth potential enterprises and their tentative number to be promoted pocket wise, we need to select entrepreneurs, assess their business service needs, design and facilitate interventions and so on. This chapter deals with these processes. We have defined four key steps for facilitating enterprise development activities (fig 3).

Fig 3 Steps for Enterprise Development Facilitation



The four facilitation steps are as follows:

- Step 1:** Selection of growth potential entrepreneurs
- Step 2:** Business Service needs assessment
- Step 3:** Intervention design and facilitation, and
- Step 4:** Business counseling

The following four things need to be completed before we start these processes.

- 1ST Sub-sector selection
- 2ND Commercial production pocket area selection
- 3RD Identification of growth potential enterprises in the pocket areas
- 4TH Calculate enterprise targets per pocket area

STEP I SELECTION OF POTENTIAL ENTREPRENEURS

This is the first step of the facilitation process. This describes process for selection of potential entrepreneurs.

Selection procedure

Preliminary selection can be done by using secondary information, Key Informant Interview (KII) and Focus Group Discussion (FGD) whereas individual level interview method can be used for **final selection** (See annex I for selection checklist). Facilitators' (project staff's) observation is very crucial for selecting appropriate beneficiaries.

Documentation

For the documentation and reporting, we can prepare a list of all selected beneficiaries by using the following formats (Table 2 and 3). This will help to carry out further steps.

Table 2 Summary List of Selected Potential Entrepreneurs

Commercial Pocket Areas	Types of Enterprises	Number of Enterprises

Individual entrepreneurs' record helps in planning for business counseling, follow up and monitoring as well.

Table 3 Lists of Individual Entrepreneurs

SN	Name of the Entrepreneurs	Types of Enterprise	Name of the Pocket Area

STEP 2 BUSINESS SERVICE NEEDS ASSESSMENT

This step deals with needs assessment of the selected entrepreneurs/enterprises. It is important because it helps in designing the interventions accurately (See annex II for more details about BDS, service providers and the roles of facilitators).

Procedure for Business Service Needs Assessment

This assessment can be done by individual interview or by group discussion. We can use the checklist. Just for the sake of group discussion, the participants should be from similar kinds of enterprises. Key steps to follow while assessing needs are given below:

- Prepare a list of the entrepreneurs
- Organize a meeting either in a group or at individual level and discuss about the problems/needs/issues
- Prepare a list of problems/needs that discussed/identified
- Keep records of those problems/needs

There are several kinds of business service needs for enterprise growth and development. Some of the most commonly observed problems in EIG are related to market access, technical skills and knowledge, access to quality agriculture inputs and to financial services

Documentation

- Cluster the problems in a group
- Identify number of entrepreneurs according to their needs/problems

Please see annex III and Table 4 for the list of entrepreneurs according to their business service needs.

Table 4: Number of Entrepreneurs and their Business Service Needs

Types of Services	Number of Entrepreneurs			
	CPA1	CPA2	CPA3	Total

Lack of skills and knowledge on improved farming practices				
Lack of skills and knowledge on post harvest handling				
Lack of skills and knowledge on nursery management				
Limited market access				
Lack of finance				
Lack of skills and knowledge on book keeping				
Lack of skills and knowledge on business planning				

Note: CPA stands for Commercial Pocket Area

STEP 3 INTERVENTION DESIGN AND FACILITATION

In this step, we design and develop facilitation activities primarily based on findings of the need assessment (step II). At this step, we should see how best we can accommodate those needs by the training. Some of the business services do not need training. We can solve them simply by facilitating the linkage and coordination process. In such cases, theoretical aspects can be taught through the training. In EIG, *the following three are the major facilitation activities:*

1. Capacity building training both on technical and business awareness rising
2. Facilitate linkage and coordination
3. Business counseling

1. Capacity Building Training

Capacity building training is divided into two different sessions. They are:

- a. **Technical session**, which deals mostly on technical aspects. Please annex VI for list of technical training packages.
- b. **Entrepreneurship development session**, this deals with i) business awareness rising ii) business plan preparation and iii) book keeping (See section 3 for training curriculum)

2. Facilitate Linkage and Coordination

Business services such as access to markets, inputs suppliers for quality inputs and financial institutions for capital needs can be solved by facilitating the linkage and coordination. See annex II for more details about the linkage and coordination with the service providers.

Procedure

1. Prepare a list of business service needs. Put similar kinds of service needs in the same group
2. Design the training sessions/training curriculum according to the problems identified so far
3. Prepare training plan. This plan should include all three types of training sessions such as technical sessions, entrepreneurship development sessions and business counseling

To prepare a training program, the following format can be used (Table 5).

Table 5 Plan of Training Events

SN	Title of the Training	Place	Date	No. of Participants	Name of CPA

STEP 4 BUSINESS COUNSELING

In step IV, we provide business counseling support to the entrepreneurs. This is a problem based counseling usually done after the training. We can do this either in group or an individual basis. If we do it in a group, the group must be comprised of the same types of entrepreneurs.

Business Counseling

This can be described as a process by which business problems are investigated, so that an entrepreneur learns not only how to tackle the immediate issues but also to cope with the future difficulties.

In this process, the facilitator (project's staff) works with the entrepreneur in solving problems and issues, assists the entrepreneurs in finding alternatives for himself/herself and further s/he is made to rely on himself/herself. So, business counseling involves helping the entrepreneur to handle problems, which s/he faces currently, and help them deal with those likely to be faced in the future.

Procedure

- Prepare a list of the entrepreneurs
- Organize a meeting either in a group or at individual level
- Prepare a list of problems discussed
- Keep records of the problems/issues discussed for future follow up

WHERE THE CLIENT IS



Identify the problem



Ensure client recognizes the

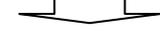


Identify all possible causes

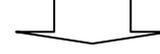


Determine most likely causes and

~~consider effects~~



List possible solutions



Ensure client ownership of solution



Choose the ones the entrepreneur is

~~capable of implementing~~



Plan actions for solutions



Monitor, evaluate and feedback



WHERE THE CLIENT WANTS TO

The Problem Solving Route for Small Business Counseling

For business counseling, we need the following information:

- Profile of entrepreneurs (see annex III for profile of entrepreneurs)
- Record of follow-up and monitoring of each visit

Please see annex IV for summary guidelines.

CHAPTER 3 TRAINING CURRICULUM FOR ENTREPRENEURSHIP DEVELOPMENT

3.1 BUSINESS AWARENESS RISING

Time	3:00 hour
Learning objective	To understand dynamics of micro enterprises
Learning method	Class room teaching, group discussion
Materials	Brown papers, market pen, masking tape etc
Sessions	

1. What does enterprise mean?
2. Why people start a business/enterprise?
3. Who is an entrepreneur?
4. Myths and realities of enterprise and entrepreneurship
5. Who is a successful entrepreneur?
6. What prevents a person from being an entrepreneur?
7. Understand yourself

1. What Does Enterprise Mean?

Simply enterprise is defined as an activity engaged in the production and delivery of goods and services by utilizing/mobilizing the available resources in return for a profit.

Types of enterprise/industries

There are various kinds of enterprises/industries. Some are related to agriculture and some of them are based on livestock and forest. Based on the nature of the industry, they are mostly called as follows:

- Energy based : wind mill, bio-gas
- Mineral based : mining industry
- Agriculture and forest based : vegetable production and NTFP trading
- Tourism based : hotel, restaurant business
- Service industry : consultancy services
- Construction : construction company
- Production based : vegetable production
- Export oriented : pasmina
- ICT based : internet services

(Source: Industrial Enterprise Act, 1992)

Similarly, based on the level of investment, number of employees, enterprises has also been grouped into seven types. They are:

1. Income generation : less than 1 employee or part time job
2. Self employment : self employee
3. Cottage enterprise : traditional & local skill based handicraft
4. Micro enterprise : Upto Rs 2 lakh fixed capital, 9 employees, traditional skills and technologies
5. Small enterprises : Fixed asset upto Rs 50 million
6. Medium enterprise : Fixed asset of between Rs 50 to 150 million
7. Large enterprise : Fixed asset above Rs 150 million

(Source: Industrial Enterprise Act, 1992)

In EIG, enterprises are mostly agriculture, livestock and forest based and from the point of investment and number of employees, it falls under the category of self employment to the level of micro enterprise.

2. Why People Start a Business/or Enterprise?

The motivating factors for the people to be an entrepreneur are:

- To make the ends meet
- To earn money
- To make a position in society

3. Who is an Entrepreneur?

Entrepreneur is a person who has the ability:

- To see and evaluate business opportunities
- To gather necessary resources
- To take advantage of them, and
- To initiate appropriate action to ensure success

And, an entrepreneur,

- Identifies market needs
- Invests money and puts together the resources to produce a product or services
- Manages the business to maximize profits
- Takes calculative risks to achieve success
- Makes decisions and is responsible for them
- Constantly seeks opportunities to grow
- Foresees changes in the market and adapts business accordingly

4. Myths and Realities of Enterprise and Entrepreneurship

Myths	Realities
You have to be born with a golden spoon in your mouth to be in your own business	Any person can start his/her own business
Establishing a business is a very difficult task and only very intelligent and highly educated people can be successful	School dropouts and people with low qualifications have done quite well in business
Running an enterprise is very complex affair	Is it fairly a simple task, if one understands the basic principle
You should have been born in a business facility to understand and run a business	Anyone who has the motivation and confidence in oneself can start and run a business
Women have less brain and thus cannot run	In fact, women are better equipped to be

Myths	Realities
a business effectively	better business managers
Only creative ideas should be entirely a new concept	You can work on an existing product and still take a part of the market
Only high sounding ideas can be effective business options	Even a small concept or idea can make a better business sense

5. Who is a Successful Entrepreneur?

Study and the experience have shown that an entrepreneur who has the following traits will most likely be a success in the business:

- Achievement orientation
- Self-confidence
- Initiative
- Opportunity seeking
- Information seeking
- Leadership
- Goal setting
- Goal setting
- Positive mental attitude
- Willingness to take risks
- Persistence
- Systematic planning
- Persuasive ability
- Commitment to work
- Problem solving
- Networking
- Concern for excellence and efficiency
- Innovative creative

Therefore, in order to be a successful entrepreneur, one has to try to develop the above mentioned qualities.

6. What Prevents a Person from being an Entrepreneur?

The preventing factors are:

- Lack of motivation
- Social beliefs
- Fear
- Poor or lack of skills
- Lack of clarity of one's needs
- Poor self image
- Guilt
- Resistance to change
- Lack of information

Also, the following factors obstruct to be a successful entrepreneur

- Impatient behavior
- Low credibility

- Poor listener
- Inensitive conduct
- Not able to work in a team
- Highly authoritative behavior

And, in order to be a successful entrepreneur, one has to try to eliminate these kinds of undesirable elements.

7. Understanding Yourself (micro entrepreneurs)

Enterprise faces different kinds of problems. Even those enterprises running successfully/profitably, might need different kinds of business development services for their further growth and development. When we talk about the rural enterprises, it seems that they are suffering mostly from limited knowledge and skills, limited access to financial institutions and government support and so on. Figure 4 shows the characteristics of rural based micro enterprises.

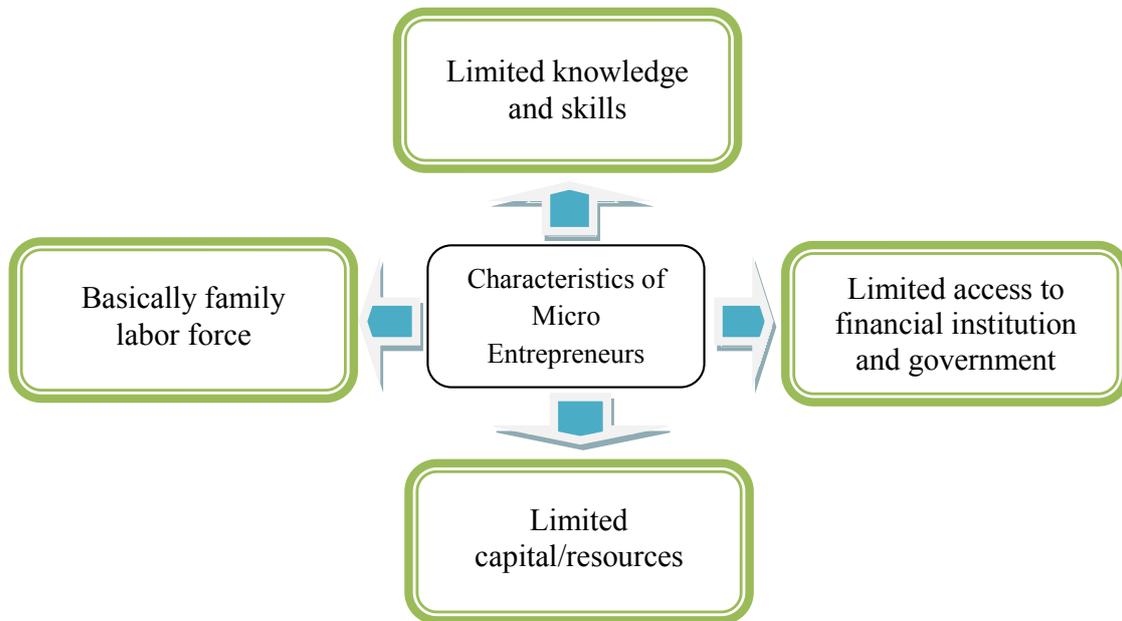


Fig. 4 Characteristics of Rural Based Micro Enterprises

3.2 BUSINESS PLAN PREPARATION

Time 6 hours

Learning objectives by the end of this session, participants will be i) able to understand business plan, and ii) able to prepare a simple business scheme

Learning method theory and practical exercise

Materials Brown papers, market pen, masking tape, calculator etc

Sessions

1. Business Plan: What and Why?
2. Business Plan: How to prepare it?
3. Some models of simplified business schemes

1. Business Plan: What and Why?

What? Some people say business plan is a 'Mirror' and some says 'Road map'. Market feasibility, demand, production process, inputs requirement and availability, capital needs and its availability, possible profit and loss etc. are the basic elements of the 'Business plan'. Anyone who is going to invest in business should keep knowledge and information on these things.

Why? It has several advantages. It helps us to make decisions whether or not to invest and also gives the picture of the current status of the running enterprises. It helps us to plan for raw materials, production, marketing and finances etc. Some of the key points that highlight importance of the business plan are:

- It makes us easy to access financial institutions for capital needs. Financial institutions, without business plan, do not provide loan support.
- It helps us to focus where we are and where we want to be in future etc.

2. How to Make a Business Plan?

There are four main components in a business plan. They are:

- Marketing plan
- Production plan
- Expense plan
- Financial plan

It is good to mention short description about the proposed enterprises while preparing the business plan.

i) **Marketing Plan**, each business plan starts with the marketing plan. In this, we analyze market demand which gives the basis for production planning. *Nursery raising enterprise has been considered here as an example for business planning (0.5 kathha of land, 30 man hours and 3 season per year are considered for calculation).* To prepare a

marketing plan, include the following things (Please see Box 1 for marketing plan of Nursery enterprise).

- Description of products or services e.g. types, size and benefits
- Products and/or services that are being produced by competitors
- Place from where the proposed business operates from. This may cause success or failure of the business
- Buyers and their demand

Box 1 Example of Nursery Enterprise

Marketing Plan for Nursery Enterprise

Nursery entrepreneur/s should mention the following things for preparing the marketing plan:

- ▶ What varieties of seedling are to be produced? What are the advantages of those varieties such as less mortality rate, high yielding varieties etc?
- ▶ Information about other nursery growers (competitors), their products such as varieties they produce, quality and other services if any such as buy back guarantee, home delivery, sales on credit etc.
- ▶ Number of costumers (producers and/or group of producers), their locations, tentative land under vegetable cultivation, types of vegetables, season of cultivation, their preference on varieties etc.

This kind of information helps in calculating number of seedling to grow and sales

ii) Production Plan, while planning for production activities, the important things to consider are as follows. (See at Box 2 for case example).

- Production process: if possible, production process should mention in detail, if not should mention each main step of the process. It also helps to identify and estimate raw materials and other equipments
- Types and amount of fixed capital such as land, machinery and equipment etc. and their life span
- Time and the suppliers of machinery equipment

Production Plan for Nursery Enterprise

Nursery entrepreneur/s should mention following things for preparing the production plan:

- ▶ Production process such as land preparation, purchasing seeds, nursery bed preparation, seed sowing, inter culture operations such as watering, hoeing etc
- ▶ Types of fixed assets such as land/land size, shed materials, agri-tools. Avoid over estimation of these assets. This may show the business expensive, not attractive
- ▶ Life span of such fixed assets This helps in calculating depreciation cost
- ▶ Place where s/he can purchase the equipments from

This type of information helps to identify the process and the things involved in the production process. This helps in calculating the cost of production as well.

Box 2 Example of Nursery Enterprise

Operational Plan

An Operation Plan (OP) is needed. This plan can be prepared based on the above information and crop cycle. In the OP, we can mention activities with its implementation time frame. An example of Operation Plan of nursery enterprise is given at Table 6.

Table 6 Operational Plan (Nursery Enterprise)

Activities	First Month of Crop Cycle			
	Week 1	Week 2	Week 3	Week 4
1. Purchase seeds and other equipments				
2. Land preparation				
3. Shed/plastic house preparation				
4. Seed sowing				
5. Intercultural operations				
6. Seedling harvest and sales				

Crop Cycle

Crop Cycle helps to prepare Operational Plan. This varies depending on the geographic locations. Table 7 is an example of Crop Cycle.

Table 7 Crop Cycle (Reference: Dang District)

Crop Cycle	Time Period/Months											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Crop Cycle 1												
Crop Cycle 2												
Crop Cycle 3												

Table 8 Calculation of Fixed Capital

Description of Fixed Capital	Total Cost	Seasonal Cost
Land on lease	-	-
Irrigation Sprinklers	1400	93

Agri tools/materials	10000	667
Sub-total I	11400	1100

iii) **Expense Plan**, following things should be included as planned expenses:

- Raw material cost, Indirect costs⁴ and their cost
- Number of workers⁵/staff and their cost
- Overhead items⁶ and their costs

Table 9 Calculation of Raw Material Costs

Description of raw materials	Total Cost	Seasonal Cost
Seeds		15000
Fertilizers		3000
Pesticides		1500
Sub-total I		19500

Table 10 Calculation of Labor Costs

Description of raw materials	Total Cost	Seasonal Cost
Labor costs (20 man days)	5000	5000
Sub-total I	5000	5000

Note: no indirect cost is included.

Calculation of Per Unit Cost

Per Unit Cost is important for pricing. This can be done by using the following formula:

(Cost for raw materials + labors + other items + interests)

Per Unit Cost = $\frac{\text{-----}}{\text{Total number of products}}$

Table 11 Summary of Expenses

⁴ Indirect costs includes cost of water, electricity in production process

⁵ Direct and indirect workers: direct workers involve in production process but indirect workers not. Accountant, office guard are examples of indirect workers.

⁶ Overhead items include house rent, office management cost etc.

Description of raw materials	Total Cost	Seasonal Cost
Raw materials	19500	19500
Labor costs	5000	5000
Total	24500	24500
Total seedling production (no.)		75000
Sub-total I	5000	5000

Note: depreciation and other costs such as interests are not included.

Total Expenses (Seasonal)	24500
Total production (Seasonal)	75000
Per seedling costs	0.32 NRs

iv) **Financial Plan**, things to be included in financial plan are as follows:

- Total capital requirement
- Sources of capital
- Pricing
- Profit and Loss

Table 12 Calculation of Total Capital Requirement

Description of raw materials	Total Cost	Seasonal Cost
Fixed capital (Table 8)	11400	1100
Working capital (Table 9 and 10)		24500
Total	11400	25600

Sources of Fund

There are different sources of fund available. Some of the possible sources are:

- Own money
- CBO/Cooperative
- Micro-Finance Institutions
- Commercial Banks
- Agriculture Development Banks
- Private Money Lenders etc.

Important thing to remember while choosing the sources of fund is 'interest rate' and 'nearness'.

Pricing

Total Seasonal Cost	=	24500.00 Nrs
Depreciation Cost	=	1100.00 Nrs
Actual Seasonal Costs	=	25600.00 Nrs
Total seedling production (in no.)	=	75000
Per seedling cost	=	$\frac{\text{Actual Seasonal Costs}}{\text{Total no. of Seedlings}}$
	=	$\frac{25600}{75000}$
	=	0.34 Nrs
Price per Seedling (20% profit)	=	0.34 Nrs + 0.068
	=	0.408/(.50 Nrs)

Profit and Loss of one 'Crop Season'

Total costs	=	25600.00 Nrs
Total income from sales	=	37500.00 Nrs
Profit	=	11900.00 Nrs

Please see annex V for simplified 'Business Schemes'.

3.3 BOOK KEEPING

Time 4.30 hours

Learning objectives to be able to prepare and keep records of purchase and sales

Learning method theory and practical exercise

Materials Brown papers, market pen, masking tape, calculator etc

Sessions

1. Book Keeping: What and Why?
2. Types of Book Keepings

I. Book Keeping: What and Why?

What it is It is important to keep records of buying and selling of goods/services. However, most of the rural based micro entrepreneurs do not do it. Reasons behind this are mostly: i) lack of awareness of the advantages of the book keeping and ii) lack of skills and knowledge on book keeping.

Why it is Book Keeping is important because it:

- Shows profit or loss status of the business
- Helps to know what would be the Return on Investment
- Helps to know income and expenses
- Helps to know the time for maximum and minimum sales
- Helps to control the expenses etc.

2. Types of Book Keepings

There are different kinds of practice of book keeping. At micro level, *Sales Book* and *Purchase and Expense Books* are the minimum to maintain by each and every entrepreneur.

1. Sales Book

Sales book is necessary to maintain because entrepreneur needs to know what quantity of a product is sold at that particular day. It helps us to know the sales trend/nature of sales. Table 13 is a simple format of Sales Book.

Table 13 Sample of Sales Book

Date	Description	Cash Sales	Sales on Credit	Total Sales	Sales Return	Net Sales

2. Purchase and Expense Record

Like Sales Book, it is also equally important to maintain purchase and expense records. It helps us for planning budget and other future activities. Table 14 is an example of Purchase and Expense Record.

Table 14 Example of purchase and expense record (Nursery enterprise)

Date	Description	Total Amount	Raw Materials	Wages	Other Expenses			
					R/M	Rent	Electricity	Stationary

Date	Description	Total Amount	Raw Materials	Wages	Other Expenses			
					R/M	Rent	Electricity	Stationary

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ANNEXES

Annex I	Checklists for Selection of Potential Entrepreneurs
Annex II	Types of BDS, BDS Providers and Roles of Facilitators
Annex III	Profile of Entrepreneurs
Annex IV	Summary Guidelines for Enterprise Facilitation
Annex V	Some Examples of Simplified Business Schemes
Annex VI	List of Technical Training Packages

ANNEX I

Checklists for Selection of Potential Entrepreneurs

For preliminary Selection

- Major commercially grown agricultural products
- Number of producers and commercial producers
- Availability of agricultural inputs such as improved seeds, fertilizers, bio-pesticides, micro irrigation technologies, agri-tools and equipments and etc.
- Sources of these agricultural inputs
- Number of agricultural inputs suppliers
- Availability of technical services to the farmers: Agriculture Service Center//NGO support/LSP
- Market

After the preliminary selection of the potential entrepreneurs, we should ask more about their personal interest and other as given below for their final selection.

- Education
- Main family occupation
- Products and/or services
- Markets: whom do they sell their products or services?

- Interest/willingness to expand the business

ANNEX II

Types of BDS, BDS Providers and Roles of Facilitators

Business Development Services (BDS)

Definition

“... services that improve the performance of the enterprise, its access to markets, and its ability to compete. The definition of ‘business development service’... includes an array of business services (such as training, consultancy, marketing, information, technology development and transfer, business linkage, promotion, etc.), both strategic (medium to long term issues that improve performance) and operation (day-to-day issues). BDS are designed to serve individual businesses, as opposed to the larger business community”.

- Committee of Donor Agencies for Small Enterprise Development,

Types of Business Development Services

Market access services

- Market information
- Market linkages
- Trade fairs and product exhibitions
- Subcontracting and outsourcing
- Marketing trips and meetings
- Market research
- Market space development
- Showrooms
- Packaging
- Advertising

Training and technical assistance

- Mentoring
- Feasibility studies and business plans
- Exchange visits and business tours

- Franchising
- Management training
- Technical training
- Counseling/advisory services
- Legal services
- Accountancy and bookkeeping

Infrastructure and information services

- Storage and warehousing
- Transport and delivery
- Business incubators
- Telecommunications
- Courier services
- Money transfer
- Information via print, radio, TV
- Internet access

- Secretarial services

Input Supply Services

- Linking MSEs to input suppliers
- Improving suppliers' capacity to provide a regular supply of quality inputs
- Facilitating the establishment of bulk buying groups
- Information on input supply sources

Technology and Product Development Services

- Analysis and communication of policy constraints and opportunities
- Direct advocacy on behalf of MSEs (e.g. taxation problems and premises)
- Sponsorship of conferences

Access to finance

- Link businesses to banks and micro-finance institutions
- Provide information on credit schemes and conditions
- Encourage savings
- Assistance in business planning for loan applications.

However, in EIG context, business services that are needed for the most enterprise beneficiaries are related to:

1. Technical knowledge, information and skills
2. Quality agricultural inputs
3. Finance and
4. Market linkage

BDS Providers

Some of the potential service providers of above mentioned four types of services are as follows:

Types of Services

1. Technical knowledge, information and skills

- Technology transfer/commercialization
- Linking SMEs and technology suppliers
- Facilitating technology procurement
- Quality assurance programmes
- Equipment leasing and rental
- Design services

Policy and advocacy

- Training in policy advocacy
- Policy studies

2. Quality agricultural inputs
3. Financial services
4. Market linkage

Potential Service Providers

Local level

- i) Agro-vets,
- ii) Nursery Operators,
- iii) LSPs and
- iv) VAHW

District/Regional level

- i) DADO
- ii) DLO
- iii) BDSPO
- iv) Wholesalers
- i) Micro Finance Institutions
- ii) Cooperatives
- iii) Commercial Banks
- iv) Community Groups
- v) Private Money Lender
- i) Collection Center/MPC
- ii) Producer Groups
- iii) Chamber of Commerce and Industries
- iv) DADO

Facilitators' Roles

The major role of facilitators is to establish and strengthen linkage of the producers with these service providers. More specifically, facilitators can play the following roles in terms of strengthening relationship between the producers and service providers for sustainable delivery of the services at local level.

CASE I

Types of Services: I. Technical knowledge, skills and information

2. Quality agriculture inputs supply

Potential Service Providers: Agro-vets, Nursery Operators, LSPs, VAHW (village level), DADO, DLO, DFO and Wholesalers (district level)

Facilitators can:

Assess the needs of producers

Identify potential service providers at local level

Organize interaction meeting between the producer groups and inputs suppliers such as between vegetable producers and agro-vets, goat raising farmers and VAHW and etc.

Organize visits of these service providers to the production/enterprise sites

If necessary, facilitate for agreement between the service providers and clients (producers/group of producers/entrepreneurs)

Further, facilitators can:

Assess the needs of local service providers such as Agro-vets, LSPs, VAHW and etc.

Identify district level service providers with higher capacity such as DADO, DLO, BDSPO, wholesalers (agro-vets) and etc.

Organize interaction meeting between the service providers. This meeting can be at group and/or at individual level depending upon the case.

Fig 4 shows the mechanism of working relationship between and among producers, local service providers and the district and regional level service providers.

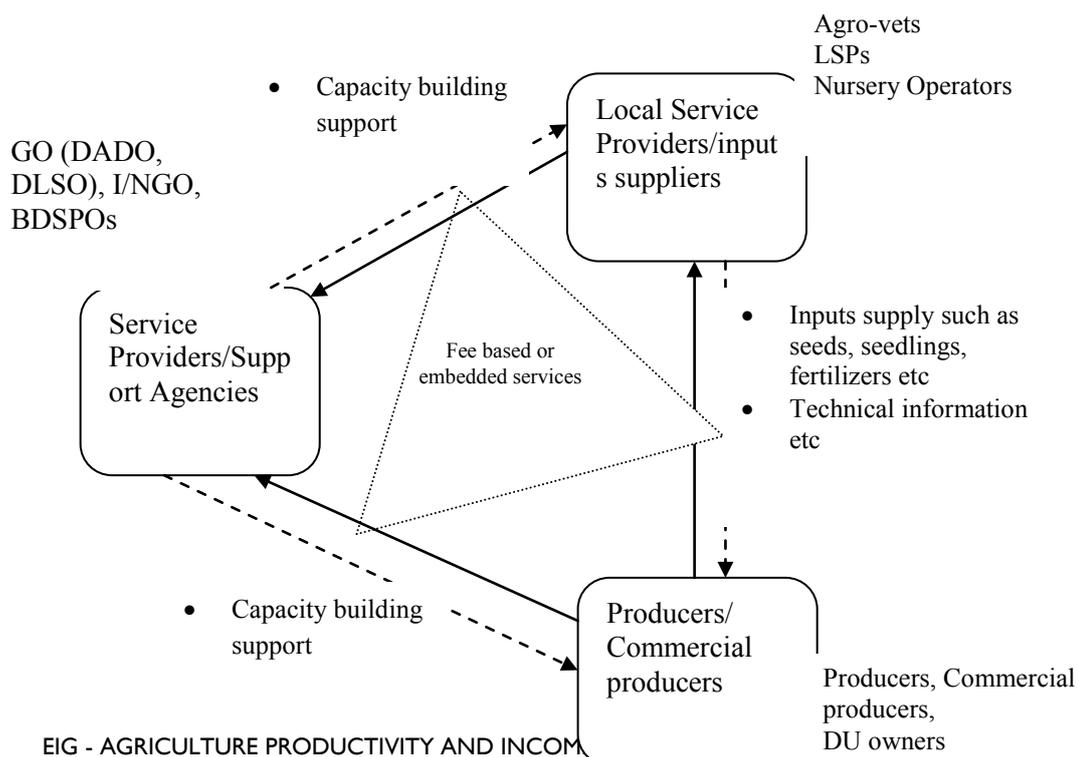


Fig 4 Linkages between producers, local, district regional level service providers

CASE 2

Types of Services:	financial services
Potential Service Providers:	groups, cooperative, micro finance institutions, commercial banks, private money lenders
Facilitators can:	<p>Identify available sources of loan/financial service providers. <i>Interest rate</i> and <i>closeness</i> to the service providers are two important things to consider while selecting the service providers</p> <p>Organize interaction meeting between the producers/group of producers/entrepreneurs and financial service providers</p> <p>Organize field visits of service providers to the production/business sites</p> <p>If necessary, facilitate agreement between the producers/group of producers and financial service providers</p>

CASE 3

Types of Services	market linkage
Potential Service Providers:	Collection Centers/MPCs, Groups, Cooperatives, Chamber of Commerce and Industries, DADO and other NGOs and INGOs working in the same location
Facilitators can:	<p>Assess different market options for making farmers/entrepreneurs access to markets/buyers. These options can be product marketing through (i) local traders and/or (ii) retailing oneself and/or (iii) external buyers and/or external buyers through Collection Centers. Depending upon the product types, availability of market infrastructures and buyers, we should promote all or any of the options mentioned above.</p> <p>If collection center is available, see whether producers/group of producers/large scale producers are linked with the collection center or not. If not, facilitate establishing linkage of the producers with the Collection Centers. This can be done by (i) organizing meeting between the group representatives and Collection Center Management Committee Members.</p> <p>If Collection Center does not exist, identify buyers and organize buyers and sellers meeting.</p> <p>If needed, facilitate agreement process between the buyers and sellers.</p>

ANNEX III

Profile of the Entrepreneurs

SN	Name of the Entrepreneurs	Address	Types of Enterprises	Types of Training Received/Other Services	Date of Training Received/Other Services	Present Status of the Business

ANNEX IV

Summary of Enterprise Guidelines with Practical Tips

Summary Guidelines

Activities before selection of potential entrepreneurs

1. Sub-sector identification and Selection
2. Pocket area identification and selection
3. Identification potential enterprises
4. Target calculation per pocket areas

Outcomes

1. Sub-sectors identified and selected for interventions
2. Commercial pocket area identified and selected for interventions
3. Potential enterprises identified for promotion

4. Number of potential enterprises per pocket area identified

Activities after identification of potential enterprises

1. Selection of potential enterprises/entrepreneurs

Procedures Preliminary and final selection
Individual interview
Focus Group Discussion

Outcome/s Growth potential entrepreneurs selected

2. Business Service Needs Assessment

Procedures Individual interview
Focus Group Discussion

Outcome/s Problems/needs identified

3. Design Interventions and Facilitation

Procedures Identify training and other service needs based on problems/needs identified
Prepare training and other business service facilitation plan

Outcome/s Training and other support activities identified and implementation plan prepared

4. Business Counseling

Procedures Individual and group discussion using checklist

Outcome/s Enterprise problems solved and counseling report prepared

Enterprise Types

We have certain types of enterprises basically identified along the value chain of a particular sub-sector. They are input suppliers, large scale producers and output level traders (see page 10 for potential enterprises).

Project's Support Services

Basically, we have three kinds of support services for promotion of enterprises. They are as follows:

1. **Training** it includes technical and entrepreneurship development training. Entrepreneurship development training covers business awareness, business plan preparation and book keeping (see chapter 3 for training curriculums).

2. **Linkage facilitation** this is a backward and forward linkage. For instances: linking producer or group of producers with agriculture input suppliers such as agro-vets, seed suppliers (backward linkage) and with output traders, collection centers (forward linkage). Similarly, the linkage of local agro-vets with wholesalers, linkage of LSP with district level service providers and local producers etc (see page 7 and 36 for backward and forward linkages).
3. **Business counseling** this is a post training support activities aims to sort out entrepreneurs' practical problems (see page 15 for business counseling process).

Documentation and reporting

Each of the steps of the facilitation process needs to be documented. See chapter below for different types of formats for documentation and reporting.

Follow up and monitoring

We should prepare follow up and monitoring plan. Some of the examples of monitoring formats are given below.

Monitoring Format (Summary)

SN	Description	Progress	Remarks
1	Sub-sector Selection	Yes/No	
2	Selection of Commercial Pocket Areas	Yes/No	
3	Identification of Potential Enterprises	Yes/No	
4	Selection of Potential Entrepreneurs	Yes/No	
5	Business Service Needs Assessment	Yes/No	
6	Intervention Design and Facilitation	Yes/No	
7	Business Counseling	Yes/No	
8	Training Activity Progress Report	Yes/No	

Monitoring Format (Details)

I. Monitoring Format for Selection of Commercial Pocket Areas

District :

No. of CPA :

No. of sub-sector :

Name of the sub-sector :

Name of CPA	No. of VDC Covered	Name of the Sub-sector wise	No. of Producers/Producer Groups

2. Monitoring Format for Identification of Potential Enterprises

District :

No. of CPA :

No. of sub-sector :

Name of the sub-sector :

Name of CPA	Types of Enterprises (sub-sector wise)	No. of Enterprises

3. Monitoring Format for Business Service Needs Assessment

District :

No. of CPA :

No. of sub-sector :

Name of the sub-sector :

Types of Services	Number of Entrepreneurs			
	CPA1	CPA2	CPA3	Total
Lack of skills and knowledge on improved farming practices				
Lack of skills and knowledge on post harvest handling				
Lack of skills and knowledge on nursery management				
Limited market access				
Lack of finance				

Lack of skills and knowledge on book keeping				
Lack of skills and knowledge on business planning				

4. Monitoring and Reporting Format for Training Event Plan

District :

No. of CPA :

No. of sub-sector :

Name of the sub-sector :

SN	Title of the Training	Place	Date	No. of Participants	Name of CPA

5. Monitoring and Reporting Format for Business Counseling

District :

No. of CPA :

No. of sub-sector :

Name of the sub-sector :

Follow up Plan

Commercial Area	Production Area	Name of Group/Individual and address	Planned Date for Follow up

Business Counseling/ Follow up Progress

Commercial Production Area	Name of Group/Individual and address	Date	Issues Discussed

Practical Tips for Enterprise Promotion

Enterprise Case I Off-season vegetable producers

Some points to consider before starting up commercial off-season vegetable production:

1. **Business plan:** this is the beginning of starting up of any enterprises. This shows whether the off-season production activity is profitable or not. And, it also helps to decide to what extent to produce so that maximum profit can be achieved.
2. **Production plan:** this is also equally important for guiding production activities so producers have to prepare this. Number of cropping seasons and the crops are included in the production plan.
3. **Technical skills and knowledge:** this is a minimum requirement for starting up this enterprise. Each entrepreneur must have some ideas on improved techniques for off-season vegetable farming.
4. **Availability of input suppliers:** agriculture inputs such as seeds, fertilizers, pesticides and agri-tools should be locally available or at easy access to the producer farmers. Agro-vets are the main suppliers. LSPs and agro-vet sub-dealers can also be the sources of these agriculture inputs.
5. **Availability of markets:** producers should either have connection with external buyers or have local markets such as small market centers, weekly haat bazaar. If collection centers are available, this can be a good source of connecting with external/large buyers.
6. **Availability of service providers:** service providers such as DADO and DLSO for technical services, groups, micro finance institutions, cooperatives, Agriculture Development Bank etc. for financial services should either be locally available or have easy to access for producer farmers

Some points to consider for effective management and sustainability:

1. **Proper 'Book keeping':** at least purchase and sales records need to be maintained. Without these records, producer/entrepreneur may not know whether the business is on profit or loss and also, can not control over the over expenses and can not make a plan for future improvements ultimately leads to failure of the business.
2. **Linkage with agriculture input suppliers:** Agro-vets, LSPs and agro-vet sub dealer can be good sources of agriculture inputs. Linkage between these suppliers and the producers/group of producers has to be established and strengthened. By doing this, we can ensure of sustainable supply of quality agriculture inputs on time and on fair price.
3. **Linkage with markets:** producers/entrepreneurs have to be linked with the markets. In local markets such as haat bazaars, they can retail themselves. If there is a collection center, this can be a good means of linking with external buyers.
4. **Linkage with technical service providers:** DADO, Agriculture Service Centers and LSPs can be good technical service providers. Agro-vets can provide some technical information as well. So, linkage of producers/group of producers needs to be established and strengthened.
5. **Linkage with financial service providers:** micro finance institutions, cooperatives, groups, and other sources such as Poverty Alleviation Fund are the main sources of finances.

Enterprise Case 2 Local Service Providers (LSPs)

Some points to consider before starting up commercial off-season vegetable production:

1. **Business plan:** this is the beginning of starting up of any enterprises.
2. **Production plan:** LSPs need i) production plan of the producers based on which s/he can prepare a plan for delivering services and ii) skills of preparing production plan so that s/he can teach others to prepare it.
3. **Technical skills and knowledge:** actually LSPs are the information banks for the village level producers so they should always be updated on the subject matters.
4. **Information about the input suppliers:** LSPs should have information about the inputs suppliers at local as well as at district level. S/he should have skills to establish linkage between the producers and the input suppliers.
5. **Availability of markets:** producers are the markets of LSPs who buy services. So, sufficient number of producers or group of producers is required to sustain LSPs.
6. **Availability of service providers:** LSPs needs to be updated on information and their respective subject matters so DADO, DLSO and other skills and knowledge providing organizations should be accessible.

Some points to consider for effective management and sustainability:

1. **Proper 'Book keeping':** LSPs need book keeping skills i) for teaching other producers/entrepreneurs and ii) for one self to maintain records of purchase and service/product sales.
6. **Linkage with markets:** LSPs should have up to date information about the producers/group of producers or other potential buyers of his/her services. Local NGOs, Development Organizations and even DADO and DLSO also can be buyers of his/her services. Therefore, LSPs need to be linked with both of the individual or institutional buyers.
7. **Linkage with technical service providers:** Depending on the subject matter, LSPs should be linked with DADO, DLSO and other knowledge organizations for updated

Enterprise Case 3 Livestock (Goat) Raiser

Some points to consider before starting up commercial off-season vegetable production:

1. **Business plan:** this is the beginning of starting up of any enterprises. This shows whether the off-season production activity is profitable or not. And, it also helps to decide to what extent to produce so that maximum profit can be achieved.
2. **Technical skills and knowledge:** this is a minimum requirement for starting up this enterprise. Each goat raiser must have some ideas on improved goat raising techniques.
3. **Availability of input suppliers:** veterinary inputs such as medicines, quality feed materials and other equipments should be locally available or at easy access to the goat raising farmers. Agro-vets are the main suppliers. LSPs and agro-vet sub-dealers can also be the good sources of these veterinary inputs.
4. **Availability of markets:** producers should either have connection with external buyers or have local markets such as small market centers, weekly haat bazaar. If collection centers are available, this can be a good source of connecting with external buyers.
5. **Availability of service providers:** service providers such as and DLSO, LSPs for technical services, groups, micro finance institutions, cooperatives, Agriculture Development Bank etc. for financial services should either be locally available or have easy to access for goat raising entrepreneurs.

Some points to consider for effective management and sustainability:

8. **Proper 'Book keeping':** at least purchase and sales records need to be maintained. Without these records, entrepreneurs may not know whether the goat raising enterprise is on profit or loss. And also, entrepreneurs neither can control over the over expenses nor make a plan for future improvements which leads to failure of the business.
9. **Linkage with veterinary input suppliers:** Agro-vets, LSPs and agro-vet sub dealer can be good sources of these inputs. Linkage between the suppliers and the goat raisers need to be established and strengthened.
10. **Linkage with markets:** entrepreneurs have to link with the markets. They can retail in the local markets, haat bazaars. If there is a collection center, this can be a good means of linking with external buyers.
11. **Linkage with technical service providers:** DLSO, Livestock Service Centers, LSPs can be good technical service providers. Agro-vets can also provide some technical information. So, linkage of goat entrepreneurs needs to be established and strengthened with these service providers.
12. **Linkage with financial service providers:** micro finance institutions, cooperatives, groups, and other sources such as Poverty Alleviation Fund are the main sources of finances. Linking goat raising entrepreneurs/group of goat raising entrepreneurs with any of these sources available at local level ensures availability of financial services.

Indicators for Enterprise Start Ups, Management Strengthening and Sustainability

Indicators	Enterprises/Value Chain Actors					
	Inputs Level Enterprises			Production Level Enterprises		Output Level Enterprise
	Nursery Grower	Agro-vet	LSP	Vegetable Producer	Goat Raiser	Local Trader
Enterprise Start Up						
Business plan*	√	√	√	√	√	√
Production plan	√	√	√	√	√	√
Technical knowledge and skills	√	√	√	√	√	
Access to agri- input suppliers**	√		√	√		
Information about inputs suppliers			√			
Access to wholesale input suppliers		√				
Information about wholesale input suppliers		√	√			
Access to veterinary input suppliers			√		√	
Access to markets ¹	√	√	√	√	√	
Link with producers	√	√	√			√
Access to technical services***	√	√	√	√	√	
Access to financial services	√	√	√	√	√	√
Business awareness	√	√	√	√	√	√
Management Strengthening and Enterprise Sustainability						
Skills to prepare and review of the business plan	√	√	√	√	√	√
Skills to prepare production plan	√	√	√	√	√	√
Skills to maintain book keeping****	√	√	√	√	√	√
Linkage with inputs suppliers	√		√	√	√	
Linkage with wholesale input suppliers		√				
Linkage with veterinary input suppliers		√	√		√	

Linkage with technical service providers	√	√	√	√	√	
Linkage with financial service providers	√	√	√	√	√	√
Linkage with markets	√	√	√	√	√	

¹Market is defined as the person/group of persons who buys products and/or services. For instance, vegetable producers are the markets for LSPs

Notes:

- * See chapter 2 for preparing the business plan
- ** See annex II for how to establish linkage between producers and input suppliers
- *** See annex II for how to link producers/entrepreneurs with service providers
- **** See chapter 3.3 for details on book keeping

ANNEX V

Examples of Simplified Business Schemes

Enterprise Type: Vegetable Nursery Grower

Introduction		
<i>1 growing season: 2 months</i>		
0.5 Kattha, 30 man hours, 3 Seasons/year		
<i>Objective:</i> To provide quality seedlings to local farmers		
<i>Description:</i> This is a small farmer who grows seedlings on a small plot to sell to neighbor farmers. They invest in the inputs and can provide embedded services to clients as well. They can promote IPM and MIT technologies.		
Long Term Investments:		
	Total Cost	Seasonal Cost
Land- Buy or Rent	₹0	₹350
Materials/Equipment:		
	Total Cost	Seasonal Cost

Irrigation- Sprinklers	₹1,400	₹93	
Agri tools/ Materials	₹10,000	₹667	
Other	₹0	₹0	
Total:	₹11,400	₹1,110	
Seasonal Inputs:			
Seed		₹15,000	
Fertilizers		₹3,000	
Pesticides		₹1,500	
Other		₹0	
Total:		₹19,500	
Total Seasonal Costs:			₹20,610
Seasonal Outputs:	Number	Price Each	
Seedlings Sold	80000	₹1	₹80,000
Other Outputs	0	₹0	₹0
Total Net Income:			₹80,000
Seasonal Profit:			₹59,390
Total Startup Cost:	₹32,360		

Enterprise Type: Local Vegetable Traders

Introduction

1 Kattha, 1 growing season: 3 months- 30 man hours, Selling for 5 others

Business Type: Production of vegetables along with collection and sales of neighbors' produce.

Objective: To make a mark-up from selling others' produce.

Description: This is a small holder farmer with 2-3 Kattha of cultivation. They market and sell their produce, along with their neighbors' produce, to the local MPC or other traders earning a small margin from the sale.

Long Term Investments:				
	Total Cost	Seasonal Cost		
Land- Buy or Rent	₹0	₹350		
Materials/Equipment:				
	Total Cost	Seasonal Cost		
Irrigation	₹2,000	₹200		
Agri tools	₹5,000	₹500		
Other	₹0	₹0		
Total:	₹7,000	₹1,050		
Seasonal Inputs:				
Seed		₹1,500		
Fertilizers		₹3,000		
Pesticides		₹500		
Transport		₹3,000		
Other		₹0		
Total:		₹8,000		
Total Seasonal Costs:				₹9,050
Buying Price of Neighbor's Produce			₹8	
Selling Price of Produce			₹10	

Seasonal Outputs:	Kg	Buying Price	Selling Price	Gross Income
Own Produce	1000	₹0	₹10,000	₹10,000
Neighbor's Produce	5000	₹40,000	₹50,000	₹10,000
Total				₹20,000
Seasonal Profit:				₹10,950
Total Startup Cost:				₹16,400

Enterprise Type: MIT Installer-Treadle Pump

Introduction

5 months/1 year

Business Type: Installation and service of Treadle Pumps and other types of pumps.

Objective: To provide quality pump installations and service.

Description: This community based small entrepreneur employs 2 to 3 laborers and has formal training in well drilling. They promote MIT on a local level to increase their business.

Long Term Investments:	Total Cost	Seasonal Cost
Tools/Equipment	₹10,000	₹2,000
GI Pipe	₹50,000	₹5,000
Other	₹0	₹0
Total:	₹60,000	₹7,000
Number of Treadle Pumps Installed per Season		100
Number of Hand Pumps Installed per Season		100

	Each	Total	
Seasonal Inputs:			
Labor (2 Laborers/Pump Install)	₹400	₹80,000	
Other	₹0	₹0	
Total:		₹80,000	
Total Seasonal Costs:			₹87,000
Seasonal Outputs:	Selling Price	Total	
Treadle Pump installation	₹1,000	₹100,000	
Hand Pump Installation	₹1,000	₹100,000	
Other	₹0	₹0	
Total:		₹200,000	
Total Yearly Sales:			₹200,000
Yearly Profit:			₹113,000
Startup Costs			₹140,000

Enterprise Type: Small Agro-vet

Introduction

6 month cycle

Business Type: Agro product and service center.

Objective: To provide a local level sales outlet for agro products

Description: This is a small, community based shop selling agricultural inputs at a mark-up, providing embedded services, and promoting improved agricultural practices and technologies for 200 to 300 farmers in a single VDC. It also acts as a link between the district level Agrovets and local farmers.

Long Term Investments:	Total Cost	Seasonal Cost	
Shop Space- Buy or Rent	₹0	₹350	
Materials/Equipment:	Total Cost	Seasonal Cost	
Furniture and Shelving	₹10,000	₹1,000	
Equipment (Balance, Calculator)	₹5,500	₹550	
Other	₹0	₹0	
Total:	₹15,500	₹1,900	
Seasonal Inputs:			
Seed		₹60,000	
Fertilizers		₹20,000	
Pesticides		₹10,000	
Agritools		₹40,000	
Misc Items		₹5,000	
Other		₹0	
Stationary/Other Consumables		₹500	
Total:		₹135,500	
Total Seasonal Costs:			₹137,400
Seasonal Outputs:	Margin		
Seed	40%	₹84,000	
Fertilizers	10%	₹22,000	
Pesticides	15%	₹11,500	
Agritools	15%	₹46,000	
Misc Items	10%	₹5,500	

Other	0%	₹0	
Total:		₹169,000	
Total Seasonal Sales:			₹169,000
Seasonal Profit:			₹31,600
Startup Costs			₹151,350

Enterprise Type: Local Service Provider

Local Service Provider

3 Month Season, Service to 100 Farmers

Business Type: Agricultural services

Objective: To provide quality agricultural services and products to local farmers.

Description: This is an innovative small holder farmer with higher than average technical know-how who works between local or district Agro vets and local farmers to provide services, products, and training while promoting improved agricultural methods including MIT and IPM. He is paid by selling inputs at a slight mark-up and through in kind payments of vegetables for his services.

	Total Cost	Seasonal Cost
Pesticides		₹4,000
Agritools		₹15,000
Other		₹0
Stationary		₹100
Total:		₹19,100
Total Seasonal Costs:		₹19,100
Seasonal Outputs:	Margin	Sale Price
Seed	40%	₹0

Pesticides	15%	₹4,600	
Agritools	15%	₹17,250	
Other	0%	₹0	
Services for Cash		₹0	
Services Paid In Kind		₹2,000	
Total:		₹23,850	
Total Seasonal Sales:			₹23,850
Seasonal Profit:			₹4,750
Startup Costs			₹19,100

(Source: John's presentation on Business Plan, EIG, Regional Workshop, Nepalgunj, May 23, 2010).

ANNEX VI

List of Technical Training Packages

Sub-sector: vegetable

1. Vegetable Production and Marketing
2. Off season Vegetable Production
3. Agriculture Marketing and Planning Committee
4. Capacity Building Training for Local Resource Person
5. Seed Production Techniques

Sub-sector: Livestock

1. Livestock Management (Goat)
2. Livestock Management (Pig)

3. Poultry Farming
4. Village Animal Health Worker

Sub-sector: NTFP/Essential Oils

1. Cultivated NTFP (Chamomile, Mint)
2. Non-cultivated/planted degraded forest (lemongrass/Citronella)
3. NTFP Collection, Sustainable Harvest (Curry leaf, timor, resin other)

Sub-sector: Fishery

4. Poly Culture of Carp

These training manuals can be accessed via this e-mail address: info@winrockeigcm.org

