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Transformational
Enterprise
Network

HOW TO USE THE “MIND YOUR OWN BUSINESS” VIDEOS

Guide to trainers

The four videos cover the “Mind Your Own Business” course. They more-or-less cover the workbook (International Edition) but there is some change in order so that each video is a similar length. Some sections have been reduced in size and some have been updated.

You have permission to use the videos and download the workbooks without charge.

The material can be used by individuals but working with others helps provide motivation and encouragement, whether that is a large group or just two or three people working through it together.

The videos are of talks at the online Stronger Conference, January 2025, then edited.

The videos are around 25 minutes each, with pauses for small groups to discuss or reflect, indicated by slides. When these appear, pause the video to allow an appropriate amount of time for this.

The best way to deliver the course is once a week over four weeks, to give time to do the “homework”. However, if participants have come some distance, they may need to be run together over 1-2 days.

There follows the scripts for the talks. I have indicated where there are slides indicating a pause to discuss. The scripts are provided as aids to translation.

I welcome suggestions for improvement. Contact me at: jerry@tencommunity.net.

May I wish you God’s blessing as you help people – and perhaps yourself - develop an income stream for themselves and their families.

Jerry Marshall, March 2025

Welcome to the first session of this 4-part programme on how to start an enterprise. This is:

PART 1: INTRODUCTION AND CHOOSING A BUSINESS (FOUNDATIONS FOR SUCCESS)

First: let me tell you about this course.

This is a practical course to enable you to set up a small business or social enterprise. It can be used anywhere in the world; but where comments are especially relevant to one part of the world, I'll say so.

It is written by people who have hands-on experience of setting up small businesses both in the UK and in developing countries. Not by charity officials or bank managers who have never actually started a business!

The course covers choosing a business idea and then testing whether the business idea is likely to succeed, BEFORE you put lots of time and money into it.

These sessions approximately follow the "*Mind Your Own Business*" course, which we use at Transformational Enterprise Network, TEN.

The workbooks for this course and other resources can be downloaded online, free of charge, at: www.tencommunity.net in the resources tab. Here I'm following the slightly shorter "International version". I recommend you download this for next time. I'll put up the URL at the end.

Next: let me lay out an important Biblical foundation.

Here is a key message from the story of the feeding of 5,000 people in the Bible, a message given by God to a friend of mine. You may recall that a massive crowd spent all day listening to Jesus speaking. By the evening they were hungry. Jesus had compassion on them and said something strange to his disciples, he said "You give them something to eat".

Well, the disciples said, "How can we do that? It would take a year's wages to feed this crowd!". Isn't that how we often feel when we think about starting a business? "If only I had more money, or a more valuable skill, or a sewing machine or an office I could use!". Like the disciples, we think about what we don't have.

But Jesus asked "What have you got? Go and see!". He was interested in what they, the crowd, did have. It turned out that what they had was a few loaves and fishes, ridiculously little to feed a massive crowd.

Jesus took this tiny amount of food, asked his Father in heaven to bless it, and the disciples took a risk. Stepping forward in faith they started to distribute it. And guess what, it multiplied, there was enough for everyone and even lots left over.

The challenge for us is to think about what we already have. What are our loaves and fishes? Our meagre resources may seem ridiculously little but offer them to God, ask him to bless them and step forward in faith. Start with what you have, however little. Let Him bless what we are doing so in time we can bless our whole community. My friend Kennedy in Kenya went to a training session like this and came away thinking all he had was a eucalyptus tree he planted as a teenager.

VIDEO: His community needed trees, so he dried and planted the seeds and started a tree nursery. Within 6 months he had 18,000 seedlings! Since then, the community have planted over 2m trees.

Next: why start a business?

Enterprise is essential for people to flourish and it is the only long-term solution to poverty. A key purpose is to create wealth, a word that comes from an old English word meaning well-being. So business is about enabling personal and social well-being.

Long term business success comes from providing something customers want, in a way that is better than their competitors. In the process, businesses create jobs, develop skills in their staff and build hope and self-esteem.

Some people are suspicious of business and entrepreneurs and it's true that people can be corrupted by greed. But we can also use business to love God and love our neighbour, meaning our customers, our staff and even our competitors.

Some people go further. Social entrepreneurs or Kingdom entrepreneurs can use a business to meet the needs of local communities, demonstrate honesty, tackle poverty and even support peace where there is conflict, by bringing hope and building good relationships. In the UK, many Victorian Christian industrialists used their businesses to improve the living conditions for their workers. In Norway, Hans Nielson Hauge was central to the transformation of the country from the poorest in Europe to the richest per person on earth.

Be clear about your purpose. The aim of my first business was to create a job for myself because I was unemployed. The second business was a social enterprise, set up to meet a particular need. The third business was to create something I could build up and sell so that I would have a pension fund in my old age. Then I used some of the funds from this to set up a business in Palestine, which aimed to create jobs that would survive in peace or conflict and to build hope and create relationships across the divide.

So why do you want to start a business? To generate an income for you and your family? Or an income that enables you to do something else, like pastor a church? Or have money for your old age? Or to make money from a hobby or a small holding? Or to create jobs or to help a particular group of people? Or for the fun, adventure and challenge?

It would also help to think about your life goals. What does success look like to you? Where do you want to be in five- or ten-years' time? And crucially, what is God saying - what is his call on your life and how would a business fit into that?

PAUSE TO DISCUSS

Next: what I mean by a 'business'?

People sometimes have quite a narrow idea of what is, or isn't, a business. There are many different types of business. So let me say:

- If you are making hats in your spare time and selling them to friends, that is a business
- If you are looking after other people's children for a payment, that's a business
- If you run a farm that sells some of what is grown in a market, that's a business
- If you sell products on a street, that's a business
- If you are self-employed and do IT tasks for lots of companies, that's a business
- If you run a vocational training organisation, which generates income from difference sources, not just donations, that is a social enterprise, a type of business.

At heart, businesses provide something that people want and are prepared to pay for.

It might be a making something (like greetings cards), a service (like installing solar panels) or trading (say buying and selling clothing).

A "social enterprise" is also a business but some or all the funds might come from the government or an NGO rather than from the people who use the service.

So: what makes a business successful?

Think of a business you know that is doing well. Why is it succeeding? And think about a business that is struggling. Why do you think that is?

PAUSE TO DISCUSS

There are many reasons for success, such as looking after customers well and being careful about giving credit (giving credit mean letting customers pay later). It is especially important to be different from and better than competitors and to look after the money carefully.

Those who succeed in business have four things in common. They:

1. Make something or do something that people value
2. Do it better than whatever is currently available
3. Generate an income from the business (from customers, advertising or grants) that is greater than the cost.
4. Look after the money left over so there is not only enough for the business owner and their family but also to pay off any loans, replace equipment used in the business and pay any tax.

Those who fail in business have usually failed in one of these four things.

Here's a really important message for those building a business in Africa or the developing world: one of the biggest challenges is keeping the business money separate from personal money. If a family member needs help, don't give away the business money because then the business will fail and you will not be able to help anybody anymore.

Next: what about you – what skills and characteristics do you need?

Setting up a business is like setting off on a long journey by boat. You are the captain. You need to prepare

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and make sure you have all you need before you set off. And you need to be able to steer, navigate and stay off the rocks in a storm. What qualities do you think an entrepreneur needs?

An entrepreneur needs three important abilities:

1. The ability to spot opportunities – what do people around you need but maybe nobody is providing?
2. The ability to evaluate different opportunities – which opportunities are most likely to succeed?
3. The willingness to stick at an idea for long enough to make it succeed.

Other personal qualities needed include:

- Willingness to work hard
- Ability to learn from mistakes
- Patience – it will take time to get going
- Willingness to take risks
- Ability to live with uncertainty
- Ability to get on well with other people
- Ability to control your emotions – don't shout at customers or suppliers!
- Basic numeracy – being able to use numbers to manage your business.

If you don't have all these abilities you should work on them or set up a business with someone else who is good at the things you are not so good at. In general, businesses started by more than one person are more successful and grow faster than those started by just one person.

Let me also add an encouragement to women. Fewer women start businesses than men. BUT: according to the organisation Forbes, globally, businesses run by women grow faster and make more money than businesses run by men. Why? Forbes thinks its because on average – this is a big generalisation – women are less confident than men and therefore more humble and therefore ask for help and listen to others. By contrast, men can be over confident. Also, women in general are more collaborative than men, they are more likely to work with other people and businesses. Its food for thought for both men and women.

The good news is that anyone can start and run a business, if they are willing to work at it. It can be fun, satisfying, generates an income and helps people. Setting up a business is mainly common sense. BUT: training and careful preparation will help you avoid expensive mistakes and be more successful.

Now: the key question for this session is - what business should you start?

The key to choosing the right business or social enterprise is to spot the need or opportunity that YOU can best meet. You may already have a business idea, but before you rush off and start, think about the alternatives, because you might find a better idea!

Here is a process. Make a note because this is something you need to do at home, when you are ready. It is about writing and comparing four lists.

First list. Make a list of all the groups of people you know. For example: your neighbours; people you work with; people in your church or choir or other group; tourists who visit your town; people who work in local businesses. Next to each group, list the products and services they might need. For example: neighbours might need solar power; a youth group might need football training; people in local businesses might need lunch.

Second list. Make another list, with all the things you enjoy doing. What would you do all day even if you were not paid for it?

Third list. List all the things you have the ability to do. For example, your abilities might include cooking, writing, organising events, teaching, driving, looking after children or fixing computers.

Fourth list. List all the resources you have. For example, an oven, a sewing machine, carpentry tools, a computer, a bike, a car, a spare room, a garage.

Then: Review all the lists. When you look at the list of what people need, does it remind you of anything you have the ability or resources to do? And when you look through the list of your abilities and resources, does it remind you of any needs you could meet? Add any new items. Spend time extending the list and be encouraged by all your abilities!

Finally: look for anything that appears on all three lists. For example, maybe you enjoy cooking, and you are good at cooking, and you have cooking facilities, and you know people who need cakes or snacks or meals cooked for them. From this, start to list possible business ideas. Cross out anything you don't want to do. Which ideas do you especially warm to? Ask your trusted friends what they think. Then try to get this down to a short list of three possible businesses for further thought and investigation.

As you think about this, I have three important pleas.

Plea 1: Be different

Don't only think about what existing local businesses do. In Africa, my heart sinks when I see a whole line of people all selling tomatoes, or bananas, all in the same place and displayed in exactly the same way. If you are doing something a bit different you don't have direct competition so you can charge a good price. So long as it is something that people want and are willing to pay for.

Here are some ideas. Some of these are especially relevant to Africa. But remember there are thousands of possibilities and the important thing is to choose what is right for you and your community.

1. Teach people English or computer skills or using AI or cooking or starting a business
2. Nursery or child care or respite care for those caring for others who need a short break
3. Solar panel and battery distribution / installation
4. Soap making or wooden toy manufacture
5. A courier business - collecting goods from suppliers or depots in the local cities
6. Set up an employment agency or a cleaning or security agency or run a mobile money ("MoMo") agency
7. Be a local representative for several NGOs
8. Be a tour guide or visitor guide: for example, guide small groups of tourists; or collect individuals or groups from the airport; or accompany and help NGO staff.
9. Providing tourists with an authentic local experience such as inviting them to stay at your home, or providing local food, or taking them on walks or bike rides to understand the local area and culture
10. Use your networks or the Internet to import and distribute something from another area or country e.g. fuel efficient stoves, solar showers. Produce regular videos of how life is for you in your country and seek sponsors or advertisers.
11. Virtual assistant or other jobs over the Internet – take a look at www.fiverr.com or www.upwork.com

Plea #2: Add value

In rural Africa and many other places, people tend to sell live chickens. I get that, it make sense when there is no fridge. In England if we are visiting a friend we might bring a box of chocolates but I have often been on a bus where passengers have a chicken on their lap, as a present for their host. The problem is that it is easy to sell live chickens and there is lots of competition so it is difficult to sell at a much of a profit. Let me tell you about Beit Jala Chicken: it is famous across Palestine. There always seems to be a queue outside the shop near Bethlehem. They can sell you a chicken but the price is much higher than a live chicken because they have added value to it, they have made it more valuable in the customers' eyes. It has been plucked, flavoured with amazing spices and cooked over an open fire. You can buy a whole chicken to take home to the family, or a single portion to eat straight away. It is delicious and there is nothing else like it. Like KFC, they have their secret recipe.

How can you add value to your business product or service? Maybe you can provide better or faster delivery than competitors? Maybe you can provide a more complete service, for example not just supply a product but also offer installation and training and servicing as well? Or not just offer a service like catering, but also hire glasses or chairs or tables or table cloths? You don't even have to buy the glasses or tables, you could have an arrangement with another company and charge commission.

Finally, plea #3: Pray for guidance

Pray, alone or with others, to ask for God's wisdom with your decision. Ask God to speak to you. Sometimes God speaks to us through things other people say, or he may give someone a specific prophecy for your business. Sometimes words seem to leap out at us as we read the Bible. Or we hear from God through dreams, pictures or the circumstances around us.

Finally, as you ponder what business to start, here's an important question: why are people going to buy from you?

What would make someone switch from their existing supplier to you? A good starting point is to reflect

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on something you bought recently. Why did you choose that particular supplier – that shop, that product?

There are only really four reasons why we choose one supplier over another.

1. *Better*: better design or higher quality than other suppliers. We chose an Apple smart phone because we think they are better than the cheaper alternatives.
2. *Cheaper*: cheaper to buy or run than others of the same quality. We chose a Chinese brand smart phone because its much cheaper than the Apple and does everything we want it to do.
3. *Faster*: we might choose a shop because it is the nearest; or a supplier because they can deliver more quickly; or they provide a more complete service which saves you time. We buy the smart phone from a particular shop because its just down the street from where we live, so its quick and easy to collect and take back if there is a problem. Also, they set it all up so I can have it working straight away.
4. *Nicer*: The plumber or hairdresser or accountant we choose might not be the cheapest or the best but we like them and trust them; or the way the service is provided is more enjoyable. Maybe we have got to know the person in the phone shop just down our street so you feel you can ask their advice.

The most important thing is this: don't assume you have to be the cheapest. You might buy petrol on price, but would you use the cheapest hairdresser? Or buy the cheapest wedding dress? Trust, personal service and quality are an important way to win customers. Sometimes companies even find they can sell more by increasing their price!

Next time: we will look at how to research your business idea.

Welcome back! This is the second session of a 4-part programme on starting an enterprise. This is:

PART 2: MARKET RESEARCH AND MARKETING

Hopefully you have now downloaded the free *Mind Your Own Business* International edition in the resources tab at tencommunity.net. You have thought about why you are starting a business, how it fits into your life goals and what God might be saying. If you have been able to do the homework from last time, now have a short list of business ideas, based on your abilities and resources, what you enjoy doing, and what people you know need. You have thought about how your business could be different from other businesses. You have started to think about how your product or service could be more valuable to customers, for example by offering a more complete service. And you have thought about why people might buy from you: are you trying to be better, cheaper, faster or nicer?

The next stage is this: researching your idea

You can do this by talking to competitors, or potential customers, or companies offering what you want to offer but in a different geographic area. The research may show your idea will not work well after all. If so, go back to your short list and try another idea. What would be useful for you to know before you start?

PAUSE TO DISCUSS

What would be useful for you to know depends to an extent on what business you hope to start. But most businesses will need to know the following seven things.

1. Who will your competitors be?
2. What do they offer – what range of products or services?
3. How much do they charge?
4. How do they attract customers?
5. What sort of people are their customers – men or women, old or young, wealthy or not so well off, businesses or individuals?
6. Why are they successful - what's the secret of their success?
7. What are their weaknesses? Because if you know what their customers don't like, maybe you can offer something better.

How can you find these things out? Again, it depends on the business but research might include these things:

1. Ask your friends and family who they use for this product or service; and what they think are this supplier's strengths and weaknesses. Ask them e.g. – where do you get your hair cut, or buy furniture, or where does the business you work for buy stationery? And what do you think of this supplier?
2. Try the supplier out yourself, if you can.
3. Talk with the supplier: ask how is business going? Why do you think it is going well (or badly)?
4. Talk to the supplier's customers if you can: ask them why they choose this supplier; what do they like and what don't they like; and how this supplier could be better for them.
5. Look at the supplier's website and any on-line reviews.
6. If you are starting something with a very local market, like a restaurant or a hairdresser, you could try to talk to someone running this business in a different area. They might be happy to advise you because they won't be in competition.

Now, here's a thought - can you test the idea? Market research can be valuable. But it has limitations. People might politely say they will buy from you if you start the business; but actually, stick with their existing supplier. It's especially difficult if you have a completely new product or service, something people have not used before. However, some business ideas might be possible to try out your idea very cheaply: buy or make a small number of the products and see how easy (or difficult) it is to sell them.

For example, once I started a business importing a product from the USA. It was new to the UK market. So before I set up the business and rented an office and employed someone, I bought ten units, and set about trying to sell them. It was only when I found out that that did sell quite easily, at a good price, that I formally started the business.

Next question - will you sell enough? If you plan to sell a popular product in a wide area there is likely to be plenty of business, so long as you can get enough customers to switch to you. But if you are providing a very specialist product in a local area, try to find out:

- How many potential customers are there in the area you want to cover?
- How often are they likely to buy?
- How much are they likely to spend each time they buy (on average)?
- And what percentage do you think will buy from you?

From this, try to work out if you will sell enough to support your business. If not, you might need a wider range of products.

Next: who are your customers and what is important to them?

What kinds of people or organisation are most likely to buy your product? What do your customers have in common: are they likely to be mainly old or young, male or female, wealthy or poor? Do they live in villages or live in towns? Are they price-focussed or quality-focussed or speed focussed or service focussed? Are they businesses or individuals or government or NGOs? If they are businesses, who are the people making the decision – there might be several different people involved in the decision – for example, an engineer focussed on the specification and an accountant focussed on price.

This is your “customer profile”. Knowing who your potential customers are in terms of these characteristics will help you design the right offering for them.

From the four reasons people buy (better, cheaper, faster, nicer), and your research of competitors, what do you think will be the most important reason why the people you have described switch from a competitor to you?

There may be more than more than one answer because you might have several different customer groups. Perhaps men prefer a different design or colour to women. Or older people want something different from younger people. Or perhaps you have one group of customers where quality is important and others that just buy the cheapest. This is called “customer segmentation”. You might have different versions of your product or service for each group.

Knowing your different customer segments will help you communicate with each group more effectively. For example, a dress shop might sell wedding dresses with a message about quality and beautiful design; and everyday dresses with a message about being long lasting and good value.

PAUSE TO DISCUSS

Now: how much will customers pay?

What is the market price for your offering? What price will maximise your profits?

Many businesses set a price that is a bit more than the cost of producing the product or service. But what is more important is what competitors are charging for a product or service of a similar quality. For some items, especially if they are new or unusual or beautifully designed or difficult to get hold of, customers might pay much more than the cost. It’s not what it costs, but how much it is worth to the buyer, and what competitors charge for the same quality.

What is your strategy? Are you trying to sell a lot at a low price or a few high-quality items at a high price? You might want to have different versions of your product for different customer segments: a basic version at your cheapest price and a higher quality more expensive version for those who are happy to pay more.

The most common mistake is to charge too little. For some products or services, a low price can put customers off. They assume that cheap means not very good. Do you want to buy the cheapest wedding dress? Or hire the cheapest mechanic to fix your motorbike? Paying more for a good mechanic might be better value if their repair lasts longer.

If you are selling your time, be especially careful not to undercharge. Allow for the unpaid time you need for selling, providing a quotation, administration, sickness, etc. plus extra costs like renting an office.

Do you think that changing the price will have a big effect on how much you sell? This is true for easily comparable products (like fuel at a petrol station). If so, reducing your price a little could increase sales so much that you make more money. If changing the price does not have a big effect on how much you sell, increasing your prices could make you more money.

PAUSE TO DISCUSS

Next: how will you find your customers?

Now that you have an idea of your customer profile in each of your customer segments, you can begin to think about how best to tell potential customers – sometimes called “prospects” - about what you are selling. It is vital to find customers quickly when you start the business.

At this planning stage, the important thing is to have an idea of how you will find customers and how much this will cost.

Remember, some businesses don't sell direct to their “end users” and instead sell to manufacturers or resellers such as shops, or agents, or restaurants. The advertising message to these groups will be different from the message to end users. Think about “what's in it for the customer?” If you are selling smart phones to the end user, the message is about the quality and features of the phone for the price. But if you are an importer selling to retailers, the message is about the popularity of the phone, the margin they can make, and the back up from you. A very different message.

For social enterprises and some other businesses, you may need to communicate with several groups of people: there will be “beneficiaries” who use your services; funders such as governmental organisations or NGOs, who may be paying some or all of the cost; and perhaps other “stakeholders”. For example, colleges might need to communicate with parents and with local employers.

How do we actually win customer for our business? Well, your mix of sales activities depends on the customer profile in each of your customer segments. Think about which sales approach will be best for each type of customer and each customer segment.

It also depends in part on “lifetime customer value”. If a new customer is likely to buy from you again and again, it's worth spending quite a lot of money to win their business, even if you make a loss on the first sale. But if you are only likely to sell to each customer occasionally (for example, selling a motorbike), then that sale must cover the cost of finding that customer.

Your sales activities also depend on your product and type of business you are in. For example, a dress shop might offer to take a picture that their customer could post on social media sites and a guesthouse might encourage customers to write a review. The good news is, you can do quite a lot of things for free.

- Tell your family, friends and neighbours.
- Ask your friends and first customers to tell their friends who might be interested about your new business. This is called a “referral”. Or ask them who they suggest you talk to about your business.
- Promote your business on social media, encourage customers to ‘like’ your page and encourage them to show how they use your product. If you have say, a craft product, you could get quite a community together.
- Write a blog on something related to your product and publicise it in your social media.
- Contact the local radio stations to tell them about your new service and perhaps ask them to tell your story.

Options that have a cost but might be worth a try include the following.

- Provide a free sample; for example, a juice shop might let customer taste the juice in a small cup; a motorbike mechanic might advertise a free check-up and then offer advice on what needs to be fixed.
- Attend events where you might meet potential customers and give a card or leaflet to people who are interested.
- Print and distribute leaflets.
- Employ an agent, i.e. pay someone a commission if they find a customer.
- Give a reward or discount to customers to recommend you to their friends.
- Work with another business selling a complementary but not competing product, each offering a discount voucher for the other's product. For example, if the juice shop is near a cake shop, they might both offer discounts to each other's customers, so that cake buyers buy juice and juice buyers buy cake. In a similar way, cinemas and restaurants might co-locate and share customers.
- Finally, some businesses benefit from having a web site or selling through an internet shop or on-line advertising. We'll cover that a bit more later in the course.

PAUSE TO DISCUSS

Next: what are the risks?

Plans are great but not everything will go according to plan. A good rule of thumb is that everything will take longer and cost more than you think!

What could go wrong with your plans? What can you do to prevent it going wrong or deal with it when it does go wrong?

Entrepreneurs are thought to be risk takers. But good entrepreneurs do all they can to minimise risk and plan for the kinds of things that could go wrong.

The parable of the talents in the Bible (Matthew 25: 14-30) is a story Jesus told to teach us how God isn't pleased with people who are too scared to take any risks with the resources they have. God wants you to make good use of the money and skills you have and use them to generate wealth (which remember comes from a word meaning "well-being").

So, I recommend you prepare a risk analysis. *[Slide]*. Here's a very simple example to give the idea, similar to one in the back of the workbook. Make a table, with four columns.

- In the first column, list all the things that might go wrong.
- In the next column, estimate the likelihood of this happening – high, medium or low.
- In the next column, estimate the impact of this thing going wrong; how bad will it be? Again, give this as high, medium or low.
- In the final column, think about how you could minimise the possibility of each risk happening and minimise the impact. Pay particular attention to risks that are both high likelihood and high impact.

SLIDE – COMPLETE NOW OR LATER

Finally: process planning

Next time: we will look at financial planning. To begin to prepare for this, it is a good idea to break down each part of the business process into a series of steps *[Slide]*. For example, if you are, say, making cakes, step one is buying ingredients; step two is measuring out ingredients; step three is mixing ingredients, etc. If you are offering a service, it may be easier to breakdown the stages as a customer journey. For instance, if you are running a restaurant, step one may be taking a booking; step two is welcoming the customer; step three is giving out the menu, etc.

Thinking about each step will help you know what is needed and therefore what the cost will be.

Preparing a process plan

To prepare a process plan, make a table with six columns on a big sheet of paper or a computer. There is an example at the back of the workbook.

- Down the first column, write down your business process as a series of steps.
- In the next column, against each step, write down any tools and equipment you need for this step.
- In the next column, against each step, write down the people and skills you need.
- In the next column, against each step, think about and write down any ideas you have for doing this step better than your competitors.
- It is important to keep costs low; so in the next column, think about and write down simpler and cheaper options to complete this step. For example, can you borrow, hire or buy second hand rather than buy new?
- Finally, in the last column, against each step, write down the cost of anything you will need to pay for before you start your business.

The total of the final column is your set up cost.

If you plan to have a website or produce sales material you will need to add these costs to your set up cost.

Also consider who can help you operate the business and where you can get the tools, equipment and supplies you need.

Where will the business be? If you are renting a shop or building, what needs to be done to prepare the building?

If you need helpers, how will you recruit and train the workforce?

What other actions are needed before your start?

From all this, write a list of the actions required to start the business, together with the cost of each action and target dates.

This process will tell you the set-up costs. This is the cost of the equipment etc. you will need to pay for before you begin to make your product or offer your service. By the way, this is not the same as your start up costs. But don't worry if that doesn't make sense to you, all will be revealed, because next time we will be looking at financial planning.

SLIDE – COMPLETE NOW OR LATER

Here is a brief recap of key points.

In terms of action, at the appropriate point you need to conduct the market research we talked about. Using this, put together a table of competitors with their prices, strengths, weaknesses and how they find customers.

Does this research confirm your business idea or do you need to research a different idea from your short list?

Also, reflect on the ideas about selling and decide:

1. Are you selling direct to end users or through a reseller or both?
2. What are your customer segments, and what sort of message will each group listen to and be influenced by?
3. How will you get your message across to them?
4. What action do you need to take, when do you need to do this, and how much will it cost?

Finally, begin to prepare a risk analysis and process plan for your business idea.

Once again, thanks for being here, see you next time!

Welcome to the third session of this 4-part programme on starting an enterprise. This is:

PART 3: FINANCIAL PLANNING

If you missed earlier sessions, we have been following the *Mind Your Own Business*. workbook, which can be downloaded from at www.tencommunity.net in the resources tab.

So, you have a business idea in mind and we have thought about what market research is needed and how we are going to sell our product or service. You have also thought about each step of your business process and worked out your set up costs – what you need to buy before your start. Now, before we start the business, we need to get to grips with expected operating costs and find out if the business is viable.

So: operating costs

First, to work out your operating costs, you need to be clear on your “Unit of Sale”. Your unit of sale is what is on your price list: it might be per item (e.g. per dress); or per pack (e.g. per pack of 10 biscuits); per glass (of juice); per bottle, per kilo, per tonne, per litre, per hour, or per day. So decide how you are going to express your cost, per kilo or per litre or per pack or whatever.

So now we know how to express operating costs. These are the costs you will have to pay every month to run your business. There are two sorts of “Operating Cost”, fixed cost and variable cost. It is important to know the difference.

Some costs are “fixed”. These are the costs you have to pay even if you don’t produce anything at all. For example, paying rent on your shop; or paying a monthly fee for Internet access. You have to pay for these things even if you have no customers.

Some costs are “variable”. For example, your ingredients if you are making a food product; the cost of material if you make dresses; and the cost of packaging and delivery. They are the direct cost of your sales. They increase in line with level of sales. If you sell twice as many dresses, you will need twice as much material.

Confusingly, some costs are either or both. Wages are usually fixed (if you’re paying a fixed monthly salary regardless what is produced) but can be variable (if you’re paying per item produced, for example paying outworkers to produce dresses). An electricity bill might have a fixed monthly charge and also a meter charge, that increases the more you produce.

A good test is: if you sell twice as much, will this cost stay the same? If so it’s a fixed cost. If it increases a lot when sales double, it’s a variable cost.

The distinction is important. Knowing your variable costs means you can work out your cost per “unit of sale”. Knowing your variable cost per unit of sale means you know whether to take an order at a particular price. If the price is lower than the variable cost, turn it down: you will lose money on it. If it is higher than your variable cost per unit then there will at least be some surplus contributing to your fixed costs (though you will need to sell enough to completely cover fixed costs).

Your variable cost per unit is easy to work out. For example, if making 100 packets of biscuits costs £100 then the variable cost is £100 divided by 100 packs so £1 per pack.

However, this is just the “ideal” cost per unit. Unfortunately, some of the biscuits you are making will break or be nibbled by rats or go stale before anyone buys them. Or, if you are offering a service and have timed appointments, some of your customers will not turn up, so this time is wasted.

So, out of every 100 units of sale, how many will you actually get paid for (on average)? Divide your cost for 100 units by the number of units for which you will actually be paid. This is your “realistic” variable cost per unit.

In the biscuit example, suppose you are only paid for 90 out of every 100 packets of biscuits you make (because on average 10 packets get dropped and are broken, or damaged by rats or go stale), then the realistic variable cost is £100 divided, not by 100 packs, but by 90 packs, which is £1.11 per pack.

This idea of realistic variable costs doesn't just affect biscuits. It also affects many services. Suppose you run a hairdressing shop and take timed bookings. Perhaps you normally expect 10 bookings a day and you base your costs on this. BUT, you will get some "no shows": people who forget, or get sick or are stuck in traffic. If you have one no-show a day, your costs have to be spread out across 9 bookings not 10.

PAUSE TO DISCUSS OR COMPLETE LATER

Next: how do you lay this all out and work out revenue and profit?

You have already thought about what price to charge per unit of sale, drawing on your competitor research. Hopefully this is more than the variable cost per unit that you have just calculated. Let me give you a very simplified example. This is based on the example of a dress maker in Uganda but the principles apply to any business in any country. This example is in the back of the free workbook at www.tencommunity.net.

Uganda dress making example: profit and loss

<i>Selling price</i>	10	<i>per dress</i>
<i>Variable Cost i.e.</i>	7	<i>per dress</i>
<i>Fixed cost</i>	15	<i>Rent</i>

Session / period:	Set up	1	2	3	4	5	6
1 Sales (volume)		2	4	6	8	9	10
2 Revenue £		20	40	60	80	90	100
3 Variable cost		<u>14</u>	<u>28</u>	<u>42</u>	<u>56</u>	<u>63</u>	<u>70</u>
4 Gross profit		6	12	18	24	27	30
5 Fixed cost		<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
6 Operating profit		-9	-3	3	9	12	15

1 How many units do you think you will sell per month in the first month of trading? Probably not much, because it takes a while to find customers. In this case, the dress maker thinks they will sell just 2 dresses. What about month 2? Most business gradually build up sales in the first few months of the business. The dress maker thinks 4, then 6 and so on. Likewise, build up your sales volume month by month as one row of a table. This sales forecast is crucial, try to be as realistic as you can.

2 In the next row, multiply the number of units you think you will sell each month by the price, to give total revenue per month. In this case, the dress maker expects to sell the dresses at an average price of £10 each. This this is of course much simplified: in real life, there might be a range of dresses at different prices and the business might sell other things like shirts as well. There might be a different row for each group of products and then a total sales revenue line.

3 In the next row, multiply this number of units by the realistic variable cost per unit, to give total variable cost per month. In this example, the variable cost is thought to average £7 per dress. Again, you might split this into several lines – materials, haberdashery, labour – and a total variable cost line but let's keep it simple. This line is also sometimes called the direct cost or the cost of sales.

4 The revenue each month minus the variable cost gives you "gross profit". This is the money you use to pay the fixed costs. This is the next row.

5 Write in the fixed costs (which will be the same each month) in the next row. In this example, I'm assuming the dress maker is renting a market stall at £15 / month.

6 The gross profit per month minus the fixed costs give you your "operating profit" (or operating loss if it is negative).

What we have now is a very simple table called a "profit and loss" or P&L. This one is a forecast, it's what we hope or expect to happen. When you change the forecast figures for actual figures, it become the basis for the actual company accounts. If you use accounting software, you should be able to press a button and get your P&L for any period you request.

Whether or not you appear to be profitable, it is helpful to know your “break-even point”, the minimum amount you need to sell to make an operating profit.

Your break-even point is where the gross profit first meets all the fixed cost.

In this example, every dress sold contributes £3 towards your fixed costs (£10 less the variable cost of £7). Fixed costs are £15 / month, so the business has to sell 5 dresses (15 divided by 3) to break even.

PAUSE TO DISCUSS OR COMPLETE LATER

Now: (drum roll) There is one forecast that is even more useful before you start.

So: the cash flow forecast.

The most important question at the planning stage is to find out whether your business idea is viable: will your business succeed or fail?

This comes down to two questions:

- do you have enough cash?
- will the business be profitable?

These are not the same: fast growing companies can run out of cash and therefore fail even though they are making a profit.

To see how much money you need and to make sure you don't run out of money, you need a cash flow forecast.

So what is a cash flow forecast? You personally might sometimes see financial statements, such as a bank or mobile phone statement. Typically, at the top, these say “Opening Balance”, the amount you had in your account at the beginning of the month. Then there will be a list of any money that was paid in during the month (“credits”), and also everything that has gone out during the month (“debits”), the payments you have made. At the bottom of the statement, it will say Closing Balance – the money you have left. This becomes the Opening Balance the next month.

A cash flow forecast is simply a best guess at what your statements will look like in the coming months. What will your opening balance be when you start your business? What will you have to pay for during that first month? Will you receive any income during the month? What will be left over? A cash flow is different from a simple list of your income and costs because it records, not when you raise an invoice, but when you are actually paid; and not when you get the bill but when you actually pay it. It literally records the flow of money in and out of your account.

So a cash flow forecast is a different table from a P&L, but I'm going to adapt the earlier dress maker example and magically turn it into a cash flow forecast. Once again, I'm going to keep it very simple to start with. There are several differences from the P & L table. I have added is the set-up cost, which we discussed earlier, and a new column to cover cash movements before the business starts trading. In the example, let's imagine the only set up cost is buying a sewing machine for £200. Of course, there will be other set up costs but I'm keeping it simple so you understand how to do this.

I have also added rows for the opening and closing balance for each month. **(EXPLAIN)**

The sharp eyed among you will see I have deleted the gross profit row and renamed the operating profit line as cash flow in month. For the moment, I'm assuming the business buys the material the same month the dresses are sold, and receives payment immediately the dress is sold. With these slightly unrealistic assumptions, the cash flow in month is the same as operating profit. But the point is that we are not forecasting profit here, we are forecasting cash movements, which are not usually the same.

The cash flow forecast enables us to see how much money we need to start the business, so I have added a line for loan, which we'll fill in when we know how much we need.

Uganda dress making example

Set up cost	200	
Selling price	10	per dress
Variable Cost	7	per dress
Fixed cost	15	rent
Loan	0	

Session / period:	Set up	1	2	3	4	5	6
		-					
Cash c/f		200	-209	-212	-209	-200	-188
Loan	0						
Set up cost	200						
1 Sales (volume)		2	4	6	8	9	10
2 Revenue £		20	40	60	80	90	100
3 Variable cost		14	28	42	56	63	70
5 Fixed cost		15	15	15	15	15	15
6 Cash flow in month		-9	-3	3	9	12	15
		-					
Cash b/f	-200	209	-212	-209	-200	-188	-173

One of the useful things this table shows is how much money the business needs to start. The start-up cost is the set-up cost (£200) plus the losses made in the first few months. This business will need at least £212 (see month 2). To be on the safe side, the business should have access to more money than this – say £250 - in case the sales estimates are too optimistic.

As I said, a cash flow is different from a simple list of your income and costs because it records when you pay and when you will be paid. In practice, most companies have to pay for their materials before they make their products. And some businesses do not receive payment from their customers when the sale is made. Instead, they raise an invoice which might not be paid until the following month or later.

So, lets make this example a bit more realistic. Probably, the material needs to be purchased the month before the dress is sold.

[In month 1 variable cost, I change formula from C13 to D13, drag across and back and explain.]

You can see that now the worst cash point is no longer -£212 in month 2, but -£265 in month 3. So a bigger loan is needed.

You could do a similar thing if the business is being paid after the goods are supplied. Maybe the dresses are being sold to a retailer. An invoice is raised and the retailer pays in the following month.

[In month 2 revenue, I change from D13 to C13, drag across and back and explain.]

Now the worst month is month 5, -£348. The profit and loss is still the same, the break even point is the same, but the business needs a lot of operating capital to cover the gap between paying for the materials and being paid by the customer.

That can be a big problem. It means that profitable companies, that are growing fast, can easily run out of money and fail. But there are ways around this: try to negotiate credit on the things you are buying, so you don't have to pay until after you are paid. And / or try to get customers to pay on delivery or in advance. For big items that take a long time to do, such as construction work, the customer might be willing to pay say half the total cost before you start, which reduces risk for you and improves cash flow.

As you can see, cash flow closing balances for a start-up are often increasingly negative. Then, if the business is profitable, the negative balance starts to reduce, and eventually the balance is increasingly positive.

How negative is your worst month? This amount – plus more as a safety margin - is what you need to start the business. This is the “start-up cost”. The start-up cost is the set-up cost plus the money you need to cover initial losses.

Is it a realistic amount for you to invest or borrow? If you are paying interest, add the interest payment to your cash flow forecast, so the total you need to borrow will be higher.

Cash flows can be done on paper but is easiest using a spreadsheet. There is a free template to use at www.tencommunity.net in the resources tab under *Mind Your Own Business*. The first tab on the template is an example with some notes, the second is for you to add your own figures. You can then delete the first tab and use this as part of your business plan.

PAUSE TO DISCUSS OR COMPLETE LATER

Finally: will your business be profitable?

Whether your business is viable comes down to two questions. The first is “Do you have enough cash?”, answered with the cash flow forecast. The second is “Will the business be profitable?”

We have worked out operating profit but this is not the end of the story. To work out if your business is profitable, there are other costs to consider. Your profit needs to cover the following.

1. Your salary: work out how much you need to draw out. If you have a job, maybe you can carry on working while you build up the business so you don't have to draw out any pay for yourself.
2. The cost of any loan you have taken out.
3. Equipment replacement costs, known as “depreciation”. Depreciation will not affect initial cash flow, but it affects profitability. In this example, the sewing machine, which cost £200, will perhaps need replacement in 10 years' time. So set aside £20 a year so that in 10 years you have money set aside to replace it. Do the same with other equipment you need, such computers. If you are not making enough money to replace worn out tools, the business will eventually fail.

So, you now know if your business idea will generate enough money to be successful. If the business looks profitable, go ahead and make it happen! However, if the business is clearly loss making, choose another idea and repeat the research and financial forecast. But it may be somewhere in the middle. In which case, think about how it could be more profitable.

Here are some ideas to make a business more profitable.

1. Are there any other income streams you can generate? If you are selling biscuits, could you also sell cakes? Or set up a café? Or run classes in biscuit making?
2. Could you sell more? For example, by selling to shops in nearby towns?
3. Could you increase your price? For example, make a luxury product at a more profitable higher price? Or if you plan to sell to shops, could you also sell direct to the public?
4. Can you reduce your costs? For example, if you are renting your premises, can you negotiate with your landlord to reduce rent or have the first month rent free? Can you buy equipment second hand, or rent or borrow it?
5. Can you reduce the loan amount you need by paying suppliers later or obtaining customer payments earlier?

BUT: be realistic: if the business looks like it will not be profitable, it is better to know that now, when you are planning, than when you have started spending money.

Next time: we will look at setting up and running a business (SHARE)

Meanwhile, if you are ready, work out your fixed and variable costs; prepare a sales forecast; a P&L forecast, cash flow forecasts and equipment replacement plan. Will your business be profitable? If it doesn't look profitable even after seeing how you could increase revenue, reduce costs or improve cash flow, think of another idea on your short list new idea and go through the same process to see if this idea is profitable.

Welcome to the final session of this 4-part programme on starting an enterprise. This is:

PART 4: SETTING UP AND RUNNING A BUSINESS

Remember, if you missed earlier sessions we have been following the *Mind Your Own Business* workbook, which can be downloaded from at www.tencommunity.net in the resources tab.

So, you have chosen a business idea, checked the market, run some financial forecasts and decided that it is viable. This session, I'm going to run through various considerations as you actually start the business.

First: what will be your business structure?

In developing countries most micro businesses start without any formal structure. In the UK, many people start as self-employed. Either way, you are a "**sole trader**". You and the business are the same thing. Any money you make is your income and any loss or problem is your problem.

Check whether you need to register your business or whether you need any kind of licence. In the UK, if you earn more than £1,000 pa you will need to fill in a self-assessment tax return. The UK government has excellent information on self-employment and the other structures, take a look at <https://www.gov.uk/browse/business> . I'll put these links up at the end.

One crucial point: keep your business money separate from your personal money. If you use up business money for, say, family needs, the business may run out of money and fail and be unable to help anyone.

If you decide to start a business with others, you have a **partnership**. This can be good because it brings more skills, time and resources to the business. You can cover for each other if one of you is sick. But of course, you also have to share the profits. If you set up a partnership, make sure you agree and write down in advance how you will work together. What will each person contribute to the business and what will they get in return? Who will keep the accounts? What happens if someone wants to leave? What decisions need to be agreed by everyone? This is called a partnership agreement.

Limited Companies are organisations that are a separate legal entity to you. So if there is a problem, the company, not you, will be taken to court (though you have some legal obligations as a company director). Companies are normally registered with the Government. The business is owned by shareholders and profits – called dividends – can be distributed to shareholders. If there are several shareholders, draw up a shareholder agreement, which is like a partnership agreement. Do this before the business is valuable!

Social enterprises and charities usually have different forms in different countries. Check out what is available if you plan to start a "not-for-profit" or co-operative organisation. Again, the UK Government information is excellent, see <https://www.gov.uk/setting-up-charity> .

Next: naming your business

A good name can help communicate what your business does. It's memorable, easy to pronounce, and conveys professionalism and trust. Here are some tips:

- Keep is simple and original
- Using you own name keeps things simple but it could be awkward if you sell.
- Names unconnected to the line of business like "Apple" is fine for big businesses that can afford to advertise. If not, the name will mean nothing to potential customers.
- Instead consider a name that says what you do, or has your key selling points, or represents your values, e.g. Yummy Cakes or Forest Eco-lodge.
- Avoid anything similar to an existing brand because they might take you to court for pretending to be them.
- If you create a limited company, check the name is available.
- If you need a web site, check a suitable name is available.
- And remember, some names like "Royal" or "International" cannot be used without permission.

PAUSE TO DISCUSS

Next: sources of funding

Where will you find the money? This can be loans, on which you normally pay interest and must repay; or investment capital – called “equity” - where you sell a share of the business.

Start with your **own savings** and those of any partners. Start small and use profits to expand. This reduces risk, because you are testing out the model and leaves you in control. Think about the “loaves and fishes” in session 1, what is the little you have that God can multiply?

Next stop is **family and friends**, a good option for small amounts. It’s usually quick to arrange and they might not expect interest. But you risk damaging relationships if you can’t pay the money back. If they don’t need the money back quickly they may be willing to invest in your business by owning a percentage, as partners or shareholders.

In some places, there may be local **savings and loan schemes** you can join. **Micro-finance Institutions** may also be an option, though this can be short term and interest rates can be quite high.

Banks are unlikely to loan to start-up businesses without any assets but might be a source in the UK if you have “collateral”, like a house.

‘Peer to peer’ lending means loans or equity from individuals via an internet platform. Search the Internet for your country. In Africa, see <https://businessideas4africa.com/p2p-lending> for a list of platforms.

The most exciting development in recent years has been **crowdfunding and crowdsourcing**. Until recently, entrepreneurs relied on friends, neighbours and family for loans, ideas, market research and first customers. Now you can do all these things by talking directly to five and a half billion people online, by joining or developing “communities of interest” on almost anything. Most crowdfunding sites are geared towards developed countries but this is changing.

Let me give a simple example. My daughter recently used Kickstarter (www.kickstarter.com). Google “Kickstarter Hannah Jones” to see. She is an artist and loves printmaking. To improve quality, she wanted a £300 printing press. So she asked people to order hand printed artworks costing between £15 and £60. Pledges were made and at the end date the £300 target was exceeded. So Kickstarter collected the money and passed it to Hannah. She bought the press and has now made and sent out the artworks.

Let me also give an example of **Crowdsourcing**. Two unemployed designers met through an online T-shirt design competition. They decided these competitions should happen more often, so they created a website to do this and built up a community of followers. The website community voted, the winner got a small cash prize and the T-shirt was put up for sale. It turned out that people *really* like to submit designs and vote for them. Today, www.threadless.com is one of the largest T-shirt businesses in the world.

PAUSE TO DISCUSS

Next: Business planning

It is helpful to collect all your thoughts , research and your financial forecasts together in a business plan , even of its just a few pages. If you have investors, they will likely want to see a business plan. There are free templates for a business plan at www.tencommunity.net on the Mind Your Own Business page.

- Business name
- Your name and contact details
- Brief description of the business
- Purpose of business
- Target customers
- Competitors and other market research
- How you will be different
- How you will find customers
- Premises and equipment required
- You and your team
- Risk analysis
- Financials: set up cost, sales forecast, P&L forecast, cash flow forecast
- Funding needs and expected source of funds.

The key is to include everything that is relevant and only what is relevant. For example, you don't need to include your full CV, just what is relevant to this venture. And if you want an investor, make sure you are sharing the risk. To invest, they want you to be lying awake at night worrying about the business just as much as them!

Next: keeping good records is one key to success

Keeping records helps you check your progress against your forecasts. It means you can see if you are falling behind and can make changes in good time rather than too late. Good records also tell you what products are making you the most money, so you can focus especially on them.

What records you need depends on the business but these are the most important.

1. Keep a list of all your income and all your expenses each month.
2. Keep your cash flow forecast up to date by replacing forecast figures with the actual figures then recalculate the forecast.
3. Keep a record of your orders and prices charged so you can see what is working well. How profitable are each of your products or services (and would you make more money by ditching the least profitable line)?
4. Keep a list of your customers and their contact details. Then if you have a bad month and need to boost your sales, you can contact them with an "exclusive" discount. Look out for customers that seem to have stopped buying from you (and try to find out why).
5. Keep a record of enquiries, people who have shown an interest, so you can contact them and remind them of their interest.
6. If you are making things, keep a record of production, jobs done and time taken.
7. Keep a list of suppliers and prices paid.
8. Keep all agreements e.g. partnership agreement, rent, loans, etc. in a safe place.
9. What sets you apart from your competitors? If it's say, fast delivery, how are you monitoring this?
10. What goes wrong and has a significant impact on your success? What aspects of quality are critical? If your scrap rate or no-show rate varies and has an important impact, measure it to focus on improvements.

What about websites?

Businesses run from home can now compete with Nike or MTN. The Web means you can have a shop front in the planet's busiest high street.

You can use your web presence to display your products; have a conversation with your customers; demonstrate and share your knowledge; sell a product, service or appointment; and take down the contact details of prospects. Before you start, decide what you are trying to achieve.

You don't necessarily need your own website. You could instead use www.facebook.com, www.instagram.com, or www.pinterest.com to connect with customers. Or go www.etsy.com/uk to sell craft supplies or hand-made goods. List your holiday let with www.booking.com or www.airbnb.co.uk; or use www.eventbrite.co.uk to sell your event or training. Photographers could consider a Flickr Pro account at www.flickr.com. If you want a web shop that takes payments, try www.shopify.co.uk or www.ekm.com.

If you want your own site, register your own memorable, easy to spell, unambiguous web domain.

Find some websites you like and work out why. Think about your customer profile and look at websites serving similar groups of people, to see how their design is tailored to your type of customer. You may want outside help but it's not difficult to build a simple website. WordPress is the most popular website software. It offers lots of good free designs and "Plugins" which add extra features. Web hosting companies usually offer an easy way to use it. Google "best web hosting companies" for your country.

Plan out the kind of pages you want, and write the text that will appear on each one. Ask someone to proof read it, checking the English, including spelling, spacing and use of capital letters, carefully. Avoid block capitals for large amounts of text as this is hard to read. And keep the contents fresh: if you have a news section, add an article at least every month.

Finally, keep page titles to 65 characters or fewer (including spaces) and keep summaries to 140 characters or fewer. Otherwise Google's search results will stop in mid-sentence.

Next: developing sales is another key to success

Finding new customers and retaining old ones is crucial.

The starting point is networking: getting the word out to family, neighbours, friends, friends of friends (by asking for referrals), and attending any events where the participants are likely customers.

If you are selling a high value product or service to businesses or professionals, networking is important. At an event, introduce yourself briefly, and ask what brings them there (or whatever is appropriate). Show an interest in them and they will ask about you. Explore connections. The greatest success comes as a by-product of generously helping others.

Can you concisely describe what you offer, what's special about it and how it benefits the customer? Benefits, by the way, are quite different from features. For example, you might say the edges of a product are rounded (a feature) for a comfortable grip (which is the benefit).

Some businesses need "field sales", which is going out to meet prospects, often if you are selling high value products or selling to other businesses. Here are some tips.

1. See yourself as a consultant: ask questions to understand what they really need. For example, they might say they want a solar panel, but find out why so you can recommend the best equipment for them. Also find out who is involved in the decision and what the budget is.
2. If possible, outline your proposed work with them and give them an idea of the cost while you are there. That means you can see how they react and can adjust the offer accordingly.
3. People buy three things: you, your business, and the deal you are offering. If they like and trust you, and your business looks credible, they will be less concerned about getting the cheapest price.

Don't forget to keep in touch with existing and past customers as they are the easiest to sell to; and ask them to suggest other customers and how they think you could do better.

If you need sales material materials such as signs, fliers, brochures, advertisements, letters and your website, plan what you say with your customers in mind.

- Where are they most likely to see your materials? On the side of a bus? Online? With a free sample at a stall?
- How will you get their attention? Perhaps with a photo, or with a question in the headline.
- Focus on the benefits, for example not "Join our carpentry course" but instead "Earn good wages by training in Carpentry".
- State your specialism and tell them what makes your product or service better.
- Make sure you include the action you want them to take: "visit us" or "call us".
- Ideally add a "compelling reason to buy" e.g. book "before the price rise" or "while we still have spaces available".
- Finally, include quotations from happy customers.

There are lots of different ways to communicate what you have and persuade people to buy from you. Here are some other ideas.

1. **Social media:** if you are selling creative products, encourage your customers to share what they have done with them on your Facebook page or Instagram. If you are offering expertise, write a blog and put the link on social media or put something on TikTok.
2. **ENews:** consider sending a regular eNews; there are several websites where you can do this, e.g. www.mailchimp.com.
3. **PR:** try to get an interview on your local radio station especially if you have a new product. Respond to news that affects your business sector and try to become the "go to" expert for your local or trade media.

4. **Exhibitions:** is there a trade show or event you could go to? Consider sharing a stand with complementary but not competing businesses. Ask everyone walking past a question that will identify your customers (“Are you involved in...?”); keep clear notes on all prospects you speak to. Follow up leads promptly.
5. **Premises:** if you have a premises that your customers visit, does it look smart? If people walk past, do you have a sign that attracts attention and explains what you do and a benefit of using you?

Another thing I love to do is called sales promotion. Depending on your product or service, one of the following may help.

- Contact a local club or association and ask if them to distribute an introductory discount voucher for your product or service to their members.
- Offer a free product sample or a free check-up.
- Offer a money back guarantee to reassure new customers.
- Offer existing customers a reward for finding a new customer.
- Run a competition through a local radio station with some of your product as a prize.
- Offer a gift version of your product with a free gift card.
- If you sell through a shop or other distributor, offer an additional discount or other reward for achieving a certain level of sales.
- Is there a business selling a product or service that doesn’t compete with you but is sold to a similar market to yours? Maybe each of you could give away a sample or voucher for the other company?

PAUSE TO DISCUSS

Before we finish: here are 11 other quick fire thoughts. (meanwhile URL slide)

1. **Grow your business through product development:** if you have customers who like you, what else could you sell to them?
2. **Grow your business through market development:** if you have great products, are there other types of customers who might be interested in them?
3. **Grow your business by handling complaints well:** a well-handled complaint leaves the customer more likely to recommend you than before the problem. So listen carefully to customers who have a complaint and be generous in your response.
4. **Grow your business through customer research:** ask your customers what they like and especially what they don’t like about your business – how could it be better?
5. **Talk to any lost customers:** ask them why they left and how you might win them back.
6. **Keep up your competitor research:** keep checking out what your competitors are doing, what new things they are introducing and how much they are charging.
7. **Check whether your price is still right:** If you think a price rise will lose business, soften it by adding something, say a bigger pack, or offer existing customers a money off voucher.
8. **Stay safe on the Internet:** if you are using the Internet, use strong passwords, take back-ups, ensure your phone is secure and watch out for scams.
9. **Comply with local regulations:** make sure that you comply with any local laws, regulations and tax.
10. **Consider exporting:** are there opportunities for export? But remember that quality standards expected in the West are very high. Take advice and work with others.
11. **Last but not least:** use new technology. If you can’t afford a business adviser, use ChatGPT (There’s a page on our website on this). Use Kickstarter. Use Canva for design. And keep up to date with new apps as they emerge.

Finally, these are my 10 top tips for running a successful business

1. Do not get your business money mixed up with your personal money.
2. Keep your financial records up to date.
3. Keep control of your cash and keep your cash flow forecast up to date.
4. Be nice to customers, they are the only reason your business survives.
5. Treat your staff and suppliers with respect.
6. Use some of your time and profits to find ways to improve your business and find new ways to attract more customers (i.e. work ON your business not just IN your business)
7. Allow for the fact that it will always take longer and cost more than you think.
8. Do something that adds value to lives of your customers.
9. Do something that is different from others.
10. Proceed with humility (always listen to others) and self-belief (you can do it!).

Well done and thank you! This has been very intense but if I went too fast to take notes, remember it is all in the workbook. And join the TEN community or at least connect with us at www.tencommunity.net