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Mindanao Youth for Development Project

Life Skills:

Learning, Working, Serving



Module 8: Exploring Entrepreneurship

Facilitator's Manual



MYDev Life Skills Curriculum
An Adaptation of EDC's Work Ready Now! Curriculum

Module 8: Exploring Entrepreneurship





*“Ang taong masipag sa buhay ay umaani ng tagumpay.”
A person who is hardworking will reap success.*

Exploring Entrepreneurship Objectives

By the end of the module participants will:

- ✓ Be familiar with the basic business cycle: buying, adding value, selling for profit.
- ✓ Be familiar with how to allocate income between the business, personal expenses and savings.
- ✓ Understand the importance of maintaining a positive cash flow.
- ✓ Understand the importance of keeping records in running a business.
- ✓ Be familiar with the essential aspects of entrepreneurship and recognize its importance in business planning.
- ✓ Have experienced the preparation of simple business proposal.

Module Overview

 Sessions/Activity	 Time
 Session 1: Basic Business Cycle	4 hrs 35 min
1: Introductory Activity & Learner's Reflection	1 hour 5 min
2: Decisions to Make in a Business Cycle	1 hour 25 min
3: Unexpected Costs and Loan Payment	2 hours 5 min
 Session 2: Business Planning	4 hrs 15 min
4: The Six “P’s” for Entrepreneurship	1 hour 35 min
5: Business Planning & Learner's Assessment	2 hour 40 min
	Total Time: 8 hrs 50 min

Module 8 Materials and Preparation

- ☐ **Basic training materials:** manila paper, markers, tape, A4 paper
- ☐ Make sure participants have their Participant's Handbook available.

Session 1:





- ☐ Prepare a manila paper with the proverb (below) to discuss with learners.
- ☐ 🖐️ **Handout 8.1: The Entrepreneur's Cycle**
- ☐ Learner's Reflection
- ☐ Review objectives of the module
- ☐ Prepare a manila paper with the *Entrepreneur's Activity Chart* in 🖐️ **Handout 8.2: Entrepreneur's Activity Chart.**
- ☐ Prepare 3 signs that read: 'Bagsakan Center', 'MY Town Shopping Bazaar', and 'Market'.
- ☐ Prepare game pieces:
 - *Raw material:* Blank pieces of white paper. See **Facilitator Tool 8.A: Raw Material Example.**
 - *Money:* Prepare paper money with any paper materials you can find. See **Facilitator Tool 8.B: Money Template.** Make at least 20 copies of each page (may photocopy or create with paper yourself). If possible, copy each denomination onto a different color paper.
 - 3 containers for each group (P.I.N Allocation Containers). These may be cans, boxes or any other containers.
 - Make one small colored square, with the word "Today" on it, to stick on the Activity Chart to show which part you are currently working on.
- ☐ Prepare items that groups can buy from MY Town Shopping Bazaar. Copy **Facilitator Tool 8.C: List of Items at MY Town Shopping Bazaar** and cut-out individual pieces of paper to stick on the wall where MY Town Shopping Bazaar station is.
- ☐ Review 🖐️ **Handout 8.3: Our Income for the Week**

Session 2:

- ☐ 🖐️ **Handout 8.4: Key Questions to Prepare a Business Plan**
- ☐ 🖐️ **Handout 8.5: The Six "P's" for Entrepreneurship**
- ☐ Prepare a manila paper with the 2 'Key Questions that Help Identify Business Opportunities'
- ☐ Prepare a manila paper with the 'Key Questions to Prepare a Business Proposal'
- ☐ 🖐️ **Handout 8.6: Doing the Math – Costing for a New Business**
- ☐ 🖐️ **Handout 8.7: Doing the Math – Costing to Produce / Deliver**
- ☐ 🖐️ **Handout 8.8: Business Plan Format**
- ☐ 🖐️ **Handout 8.9: Additional Information**
- ☐ Make 1 copy per participant of the End-of-Module Assessment

SESSION 1: BASIC BUSINESS CYCLE

Activity 1: Introductory Activity & Learner's Reflection

- ✓ **Objectives** - By the end of the activity, participants will be able to:
 - a. Review main concepts from the previous module (Financial Fitness)
 - b. Know the basic cycle of business: buying, producing (adding value), selling for profit
-  **Time Required:** 1 hour 5 mins
-  **Methodology:** group work, large group discussion
-  **Materials and Preparation:** manila paper, markers, tape
 - ☐ Prepare a manila paper with the proverb (below) to discuss with learners.
 - ☐  **Handout 8.1: The Entrepreneur's Cycle**
 - ☐ Learner's Reflection
 - ☐ Review objectives of the module



Steps:

1. Welcome learners to Module 8 and quickly review the main concepts from the previous module by having participants form a circle and play the "Pass the Cabbage" game. Prepare beforehand a paper "cabbage" for this game. The paper cabbage is prepared by wrapping a rubber ball or tennis ball with multiple layers of bond paper (up to 10 times). Within each layer, write a question on concepts and ideas from the previous module (e.g. on how to be financial fit, what is savings, how to avoid debt, record keeping, and exploring savings and loans in the Philippines, etc.)

Have learners form a circle and "Pass the Cabbage" around the group with some music playing in the background. (The facilitator may use a cellphone to play a music). When the music stops, whoever is holding the "Cabbage" unwraps one layer, read and answers the written question. This continues until the last layer is unwrapped and questions answered. Provide inputs as needed.

(10 min)

2. Ask participants to think about the proverb found at the beginning of Module 8: "*Ang taong masipag sa buhay ay umaani ng tagumpay*". (A person who is hardworking will reap success). What is the meaning?

Explain that this module will focus on the cycle of a business. Explain that every business has some steps that happen every time; this process is called a "*Business Cycle*". Ask learners what they think is the relevance between the proverb and the module. How does it relate to real life? The first session will cover the different parts of a Business Cycle.

(10 min)

Key Topic

- Basic business cycle: buying, adding value, selling for profit
- The importance of maintaining positive cash flow or income
- How to allocate income among personal expenses (pansariling-gastusin) and savings (ipon) and business (negosyo)
- Good practices for financial fitness

3. Have learners take the **Learner's Reflection** in their Participant's Handbook. Explain that this is not a test but is a way to see what they already know or do not know about the topics.

Explain the meaning of each column (1, 2, 3, 4). Tell them that you will read a few statements. For each statement they need to check the column that best describes them. Stress the importance of answering honestly and independently.

Read one statement at a time and allow time for learners to think of an answer.

(15 min)

4. Ask participants to think of any business in their communities. Ask them to think of the types of activities that happen in that business. What are some things that happen every time? Ask learners to imagine that they have a small business (maybe selling processed fish, or providing repair support – plumber, painter, engine repair, etc.). In the case of fish processing, selling fish is one step in the cycle. Ask learners about the other steps, what needs to happen before selling the product/service?

Ask participants to go to **Handout 8.1: The Entrepreneur's Cycle** in their Participant's Handbook.

Explain that a *Business Cycle* refers to the steps that happen in a business over and over again. Review the 3 parts of a Business Cycle:

- *Buying*: The materials, equipment, services needed to produce something.
- *Producing* (adding value): Making a product or preparing a service.
- *Selling*: The goods or services.

For example, if you have a small business on fish processing, your cycle may be:

(1) Buying the fish, spices and other things to preserve fish;

- (2) Processing fish – you add value to fish by processing it.
- (3) Selling processed fish (goods).

(10 min)

5. Arrange learners in 5 groups. Tell each group to think of any business that they want to engage in (it can be selling buko juice, fried banana, salted eggs, dressmaking, bottled sardines making, etc.) Tell learners to draw the Business Cycle on their notebooks and to write down the 3 parts of the cycle. Tell them to be ready to share. Ask them to come up with examples for each part of the cycle for their chosen business. For example: Selling Buko Juice.

- Buying: What materials, equipment/tools, supplies you need to buy in producing buko juice?
- Producing (adding value): How will you make, produce or prepare buko juice?
- Selling: Where will you sell your buko juice? To whom will you sell it?

Have each group share their answers. Explain that entrepreneurs make important decisions on how to use their money at different points of a business cycle. In the next activity, learners will practice and make important decisions on how to use money.

(20 min)

Learner's Reflection: Module 8 Exploring Entrepreneurship

This is not a test but is a way to see what you already know or do not know about the topic. It is for your own use during this course. I will read a skill that is listed in the left column. Think about yourself and your experience. Read the statements across the top. Check the column that best represents your situation. The results will guide me in helping you learn more about this topic.

Ang mga katanungan dito ay hindi test. Ito ay isang paraan upang malaman natin ang inyong kaalaman, kasanayan o kakayahan tungkol sa paksang ito. Lahat ng inyong mga kasagutan ay ating tanggapin.

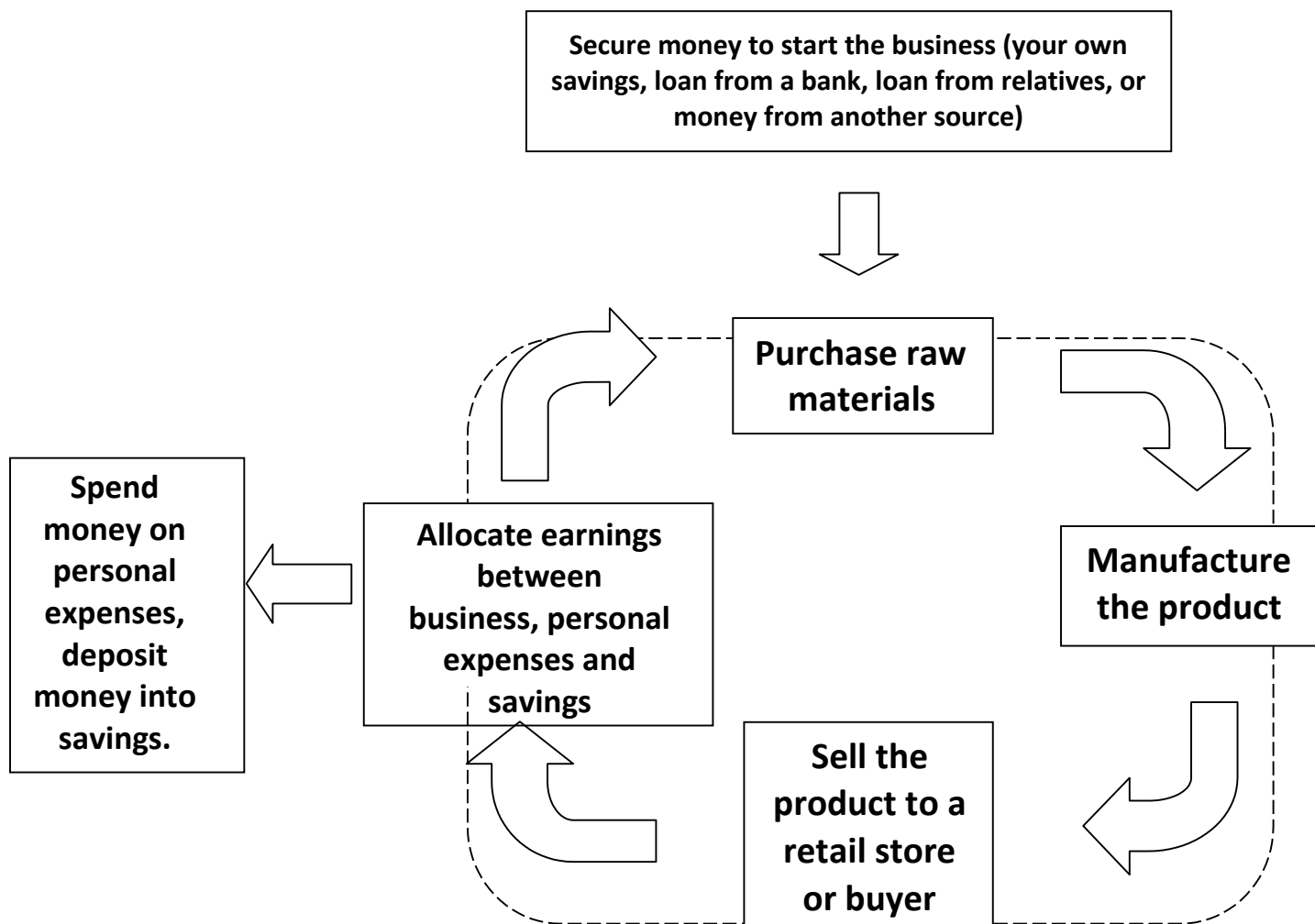
Babasahin ang bawat tanong. Magbalik---tanaw sa ang inyong mga karanasan at i---tsek ang sagot na naaangkop sa inyong sitwasyon. . Ang inyong kasagutan ay magiging gabay ko sa pagpapalawak ng inyong kaalaman tungkol sa paksang ito.

My experience Knowledge, skills and abilities <i>Kaalaman, kasanayanat kakayahan</i>	1 I don't have any experience doing this. <i>Wala akong karanasan sa paggawa nito.</i>	2 I have very little experience doing this. <i>Kaunting- kaunti lamang ang aking nalalaman sa paggawa nito.</i>	3 I have some experience doing this. <i>Mayroon akong karanasan sa paggawa nito.</i>	4 I have a lot of experience doing this. <i>Marami akong karanasan sa paggawa nito.</i>
Allocating money for Business, Personal Expenses and Savings. / <i>Pagbabahagi ng pera para sa bisnis o negosyo, pansariling gastusin, at para itabi bilang savings o impok.</i>				
Calculating how much profit you have in a business / <i>Pagbibilang ng aking tubo (ganansiya) sa bisnis o negosyo</i>				
Planning to pay back a loan / <i>Pagpaplano ng paraan para makapagbayad sa perang hiniram o inutang</i>				
Preparing a financial plan to handle unexpected expenses/ <i>Paghahanda ng isang planong pinansiyal para sa mga hindi inaasahang gastusin</i>				
Keeping financial records for a business. / <i>Pagtatala ng mga transaksyon- halimbawa, gastusin, kita, at utang -- para sa bisnis o negosyo</i>				

My experience Knowledge, skills and abilities <i>Kaalaman, kasanayanat kakayahan</i>	1 I don't have any experience doing this. <i>Wala akong karanasan sa paggawa nito.</i>	2 I have very little experience doing this. <i>Kaunting- kaunti lamang ang aking nalalaman sa paggawa nito.</i>	3 I have some experience doing this. <i>Mayroon akong karanasan sa paggawa nito.</i>	4 I have a lot of experience doing this. <i>Marami akong karanasan sa paggawa nito.</i>
Determining requirements to operate a business / <i>Pagtatala ng mga pangangailangan para makapagsimula ng isang bisnis o negosyo</i>				
Preparing a simple start-up business proposal / <i>Paghahanda ng isang simpleng plano para makapag-umpisa ng isang bisnis o negosyo</i>				





Handout 8.1: The Entrepreneur's Cycle






Activity 2: Decisions to Make in a Business Cycle

- ✓ **Objectives** – By the end of the activity, participants will be able to:
- Know the basic cycle of business: buying, adding value, selling for profit
 - Know simple calculation of income in a business cycle
 - Understand how to allocate income between the business (negosyo), personal expenses (pansariling-gastusin) and savings (ipon)

 **Time Required:** 1 hour 25 mins

 **Methodology:** simulation game, group work, large group discussion

 **Materials and Preparation:** manila paper, markers, tape

- ☐ Prepare a manila paper with the *Entrepreneur's Activity Chart* in  **Handout 8.2: Entrepreneur's Activity Chart.**
- ☐ Prepare 3 signs that read: 'Bagsakan Center', 'MY Town Shopping Bazaar', and 'Market'.
- ☐ Prepare game pieces:
 - *Raw material:* Blank pieces of white paper. See **Facilitator Tool 8.A: Raw Material Example.**
 - *Money:* Prepare paper money with any paper materials you can find. See **Facilitator Tool 8.B: Money Template.** Make at least 20 copies of each page (may photocopy or create with paper yourself). If possible, copy each denomination onto a different color paper.
 - 3 containers for each group (P.I.N Allocation Containers). These may be cans, boxes or any other containers.
 - Make one small colored square, with the word "Today" on it, to stick on the Activity Chart to show which part you are currently working on.
- ☐ Prepare items that groups can buy from MY Town Shopping Bazaar. Copy **Facilitator Tool 8.C: List of Items at MY Town Shopping Bazaar** and cut-out individual pieces of paper to stick on the wall where MY Town Shopping Bazaar station is.
- ☐ Review  **Handout 8.3: Our Income for the Week**



Steps:

1. Get started – Set up

Have learners stay with the same 5 groups from the last activity and remind them of their chosen business idea (in Activity 1) which will be used as an example in the game that they are going to play.

Verify that all game pieces are arranged on the wall and ready to use/distribute, as listed below.

On the Wall: Entrepreneur's Activity Chart (**Handout 8.2**), Bagsakan Center, MY

Town Shopping Bazaar, raw materials (from **Facilitator Tool 8.A**) ready to use during the game: P.I.N. Containers, *What We Bought* (from **Facilitator Tool 8.C**), signs for 'Bagsakan Center', 'MY Town Shopping Bazaar', and 'Market'.

Provide materials: Display the calendar (*Entrepreneur's Activity Chart*) that you prepared from **Handout 8.2** and provide the following materials to each group:

- Paper money (**Facilitator Tool 8.B**)
- Raw materials (pieces of white paper) (**Facilitator Tool 8.A**)
- 3 empty buckets (or cans, or other small containers)

(15 min)

2. Explain the game.

Give the context of the game: "The game takes place in your own town. You and your group of friends decided to start your chosen business. The objective of this game is that during a month, you must run your businesses to make money while also paying for your families' personal expenses, and repaying your debt."

Give Instructions:

- Each group will pretend that it is running a business and it will need to work together to make some business decisions.
- The goal of the game is to use the money wisely and make good decisions about how to use the money.
- The calendar shows parts of the business cycle on different days.
- We will play the game by moving from one day to the next.
- The facilitator will guide all groups by giving instructions and asking questions that groups will have to discuss and solve.

(Note to the facilitator: The facilitator will provide instructions for every step, every day in the calendar, for all groups to follow).

(10 min)

3. Play the game – Cycle # 1.

(45 min)

Tell learners that they will play one cycle first and then, in the next cycle, you will announce something new.

CYCLE # 1: Have all groups play at the same time – read instructions for each day (below) to guide the action of the teams through the week. After each day, allow 5 minutes for groups to do the activity and make any decisions they need to make.

Start the game!

- To start the game, place a mark or sticker on the small 'Today' sign that you prepared on Monday (the first day). Move the mark to the next day as you move through the week.
- "MONDAY: you need to buy materials from Bagsakan Center. You need to decide: How much material will you buy for your business?" (The material is represented with small pieces of white paper). (give 5 min)

Bagsakan Center (sells all kinds of raw materials)

Display Bagsakan Center sign. Say: "Every Monday you can buy raw material from the town's Bagsakan Center- wholesaler of all kinds of raw products."

Note to the Facilitator: You should prepare before-hand the list of raw materials needed in the identified business of the groups (refer to Activity 1). Write them down on small pieces of paper with corresponding estimated cost. You may seek the assistance from learners in costing the raw materials.

Raw materials:

Show the participants the small, white pieces of paper and explain: "These are the raw materials that you can buy from the Bagskan Center to make your goods. You will be adding value to the raw material by folding it or drawing on it, to show that it is a *finished product*. The raw material cannot be broken into smaller pieces, one piece of raw material is enough for exactly one finished product. If you do not finish producing your product during your time to produce, it will be incomplete, and you will only be able to sell it during the following week of business."

- "TUESDAY: you 'manufacture', in other words, you work with the materials to make a finished product." Encourage the groups to be creative by "producing" 2 to 3 variety of finished products out of the raw materials they bought. (give 5 min).

Say: "The way you produce a finished product is by drawing something on the white pieces of paper that are your raw materials."

- "WEDNESDAY: You have your products ready and now you sell them at the market.
You always sell everything you make!" (give 5 min)

Market Day (people buy your product at your given price)

Display the Market Day sign. Say: "In this popular market you always sell out all the products that you bring. The market is on Wednesdays and people buy your product at your given price. But they only buy good quality products."

Note: On this Market day, tell each group to display their "finished" products with corresponding price. For each 'business' group, assign a watcher who will entertain buyers/customers. Other members of the group will act as buyers/customers where they will go from one group to another to buy their "finished" products.

- "**THURSDAY**: You clean up your shop." Now it's time for you to compute the income that you generated during the Market day". (give 10 minutes)

Ask groups to go to **Handout 8.3: Our Income for the Week** in their Participant's Handbook and let them work together as a team on Week 1 ONLY. Ask them to write their Sales (What we sold) and Expenses (What we bought to produce the finished products) and to calculate their respective totals. Then tell the groups to compute their income for the week (Total Sales – Total Expenses = Income). Ask the group to take note of the computed amount of their income as they prepare for "Friday" activity.

- "**FRIDAY**: Congratulations! You made it through the first week! Now you need to plan for next week." (give 5 minutes)

Give each group their three *P.I.N. Allocation containers* (3 containers to use to separate the money for *personal expenses (pansariling-gastusin)*, for *savings (Ipon)*, and *the business (Negosyo)*).

P.I.N. Allocation Containers

"You need to work in your groups to plan how your business will allocate (use) its income for the next week.

- How much money will you put into your business expenses next week (to buy raw material from Bagsakan Center)? Place the money in the container labeled N (Negosyo). Emphasize to the group that they should set aside the amount they used in buying raw materials last week plus additional money to buy more materials next week.
- How much money will you spend on personal needs such as food and other things for your family? Place the money in the container labeled P (Pansariling--- gastusin --- personal).
- How much money will save for yourself and others and in case of an emergency? Place the money in the container labeled I (Ipon --- savings)."

Explain that in real life, it is very important to separate money to spend on personal things, and money to spend on the business.

Ask the groups to go back to their handout 8.6 and fill the expense item on "Negosyo", "Pansariling gastusin" at "Ipon".

- "SATURDAY: This is the day for spending. You can go to MY Town Shopping Bazaar." (give 5 minutes)

MY Town Shopping Bazaar:

Display MY Town Shopping Bazaar Shop sign. Say: "You need to look after your family members. You usually buy all you need at MY Town Shopping Bazaar. Here you can buy food, clothes, furniture, and other items for your family. If you buy food, it only lasts for 1 week or it goes bad. MY Town Shopping Bazaar is open only on Saturday".

Explain that they should assume that they already have the necessary items such as clothes. If they decide to buy other items besides food, these are luxuries.

- "SUNDAY: This is a rest day.

Congratulate groups for having gone through the first cycle – the first week. Ask each team to collect their paper money and keep it for the next activity.

4. Debrief with all learners together:

- What did you learn about the cycle of a business? What did you learn about buying, adding value, selling?
- What did you learn about how a business runs?

Explain to learners that they will continue the game in the next activity and will have more opportunities for discussion.

(15 min)

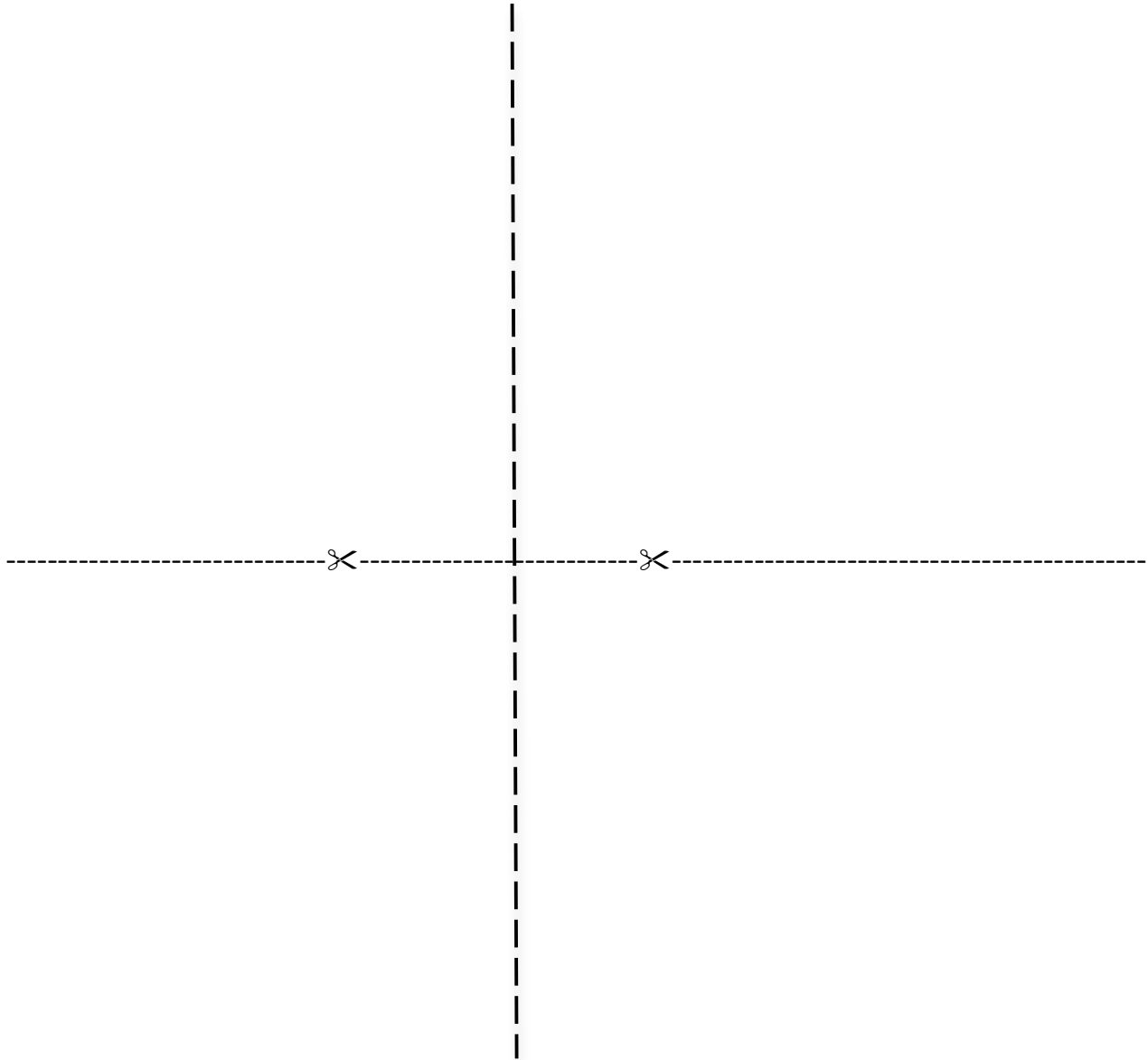


Handout 8.2: Entrepreneur's Activity Chart

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
	Buy	Manufacture	Sell	Clean & Compute	Plan	Spend	Rest
Week 1	29	30	31	1	2	3	4
Week 2	5	6	7	8	9	10	11
Week 3	12	13	14	15	16	17	18

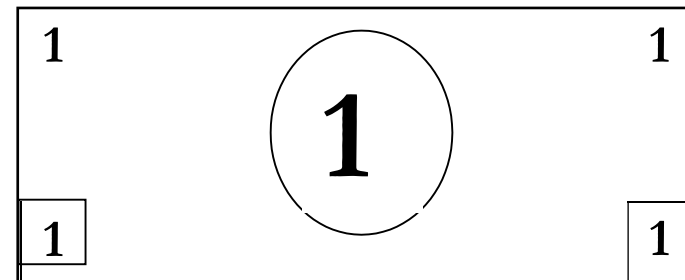
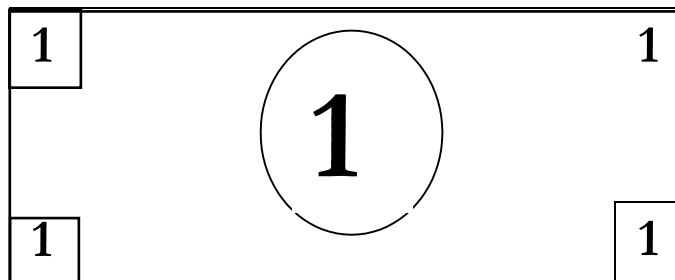
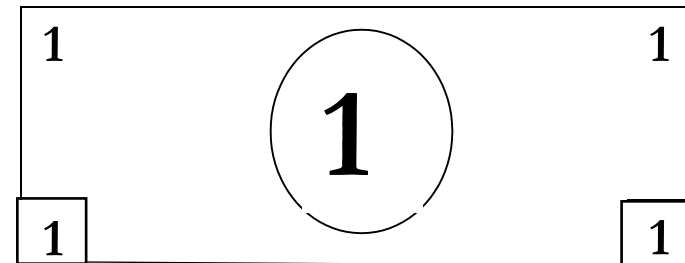
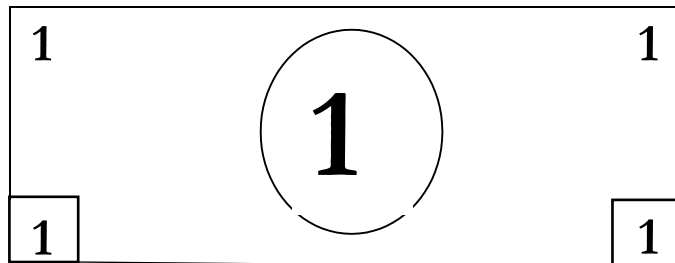
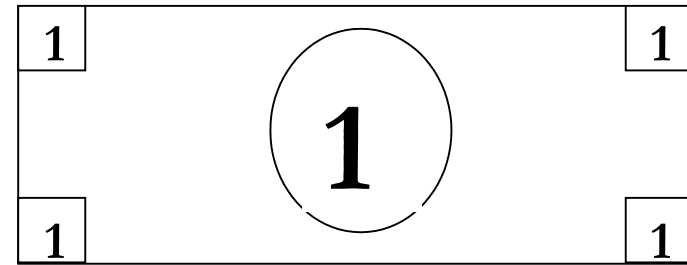
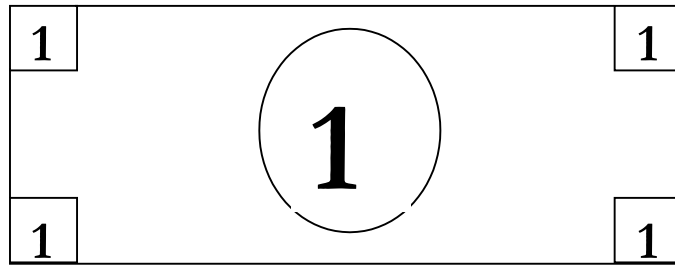
Facilitator Tool 8.A: Raw Material Example

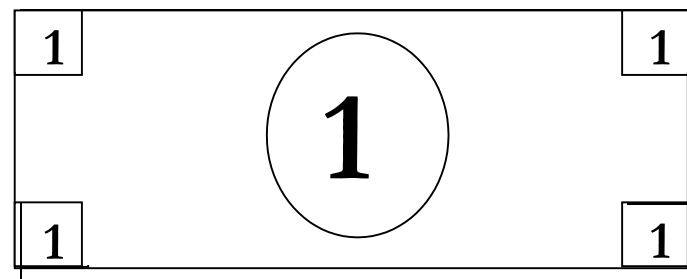
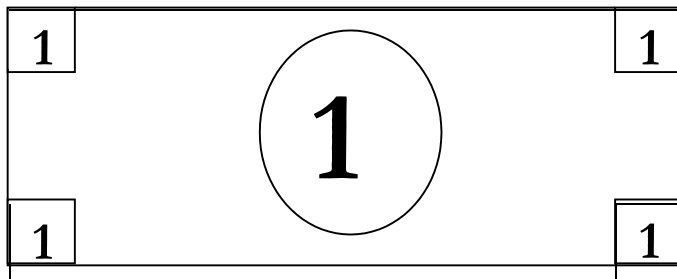
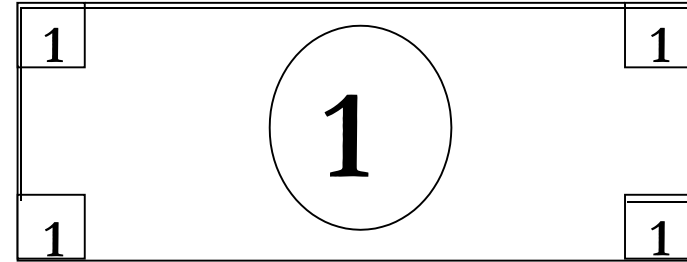
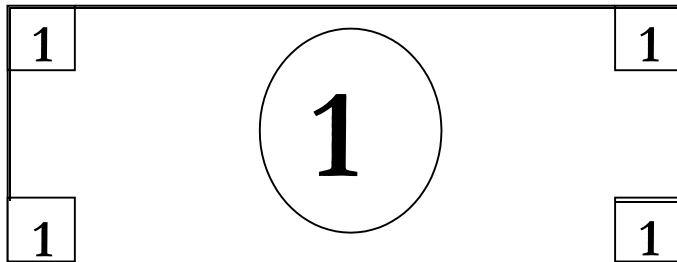
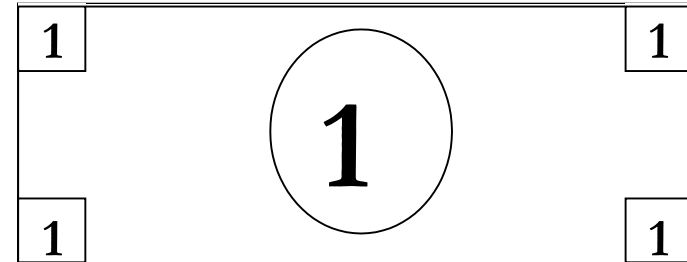
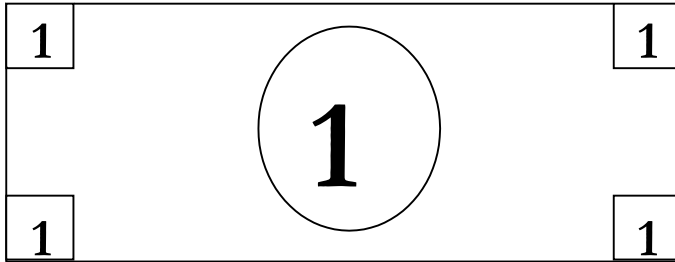
(Divide 20 pieces of A4 paper into four quadrants, and cut or tear.)

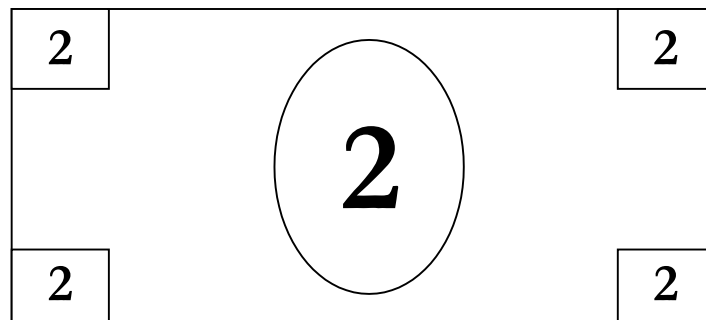
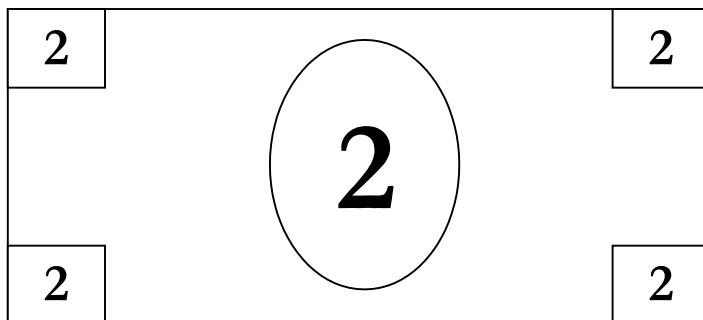
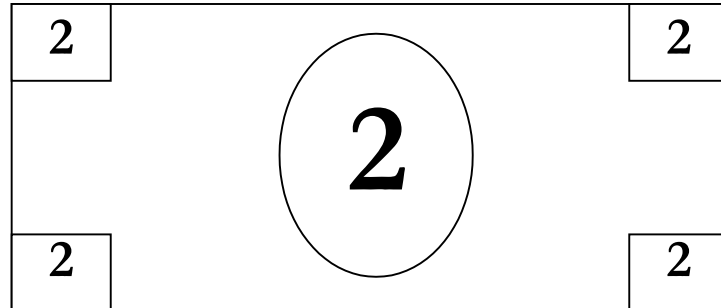
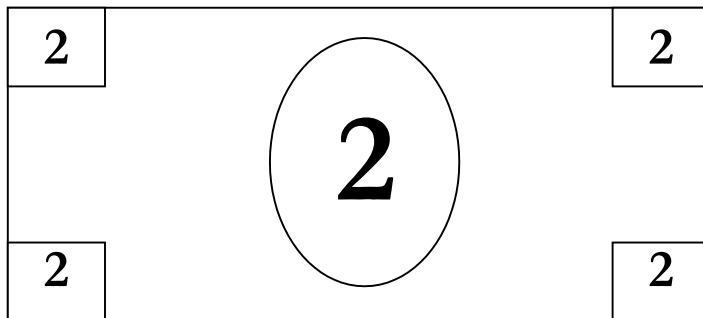
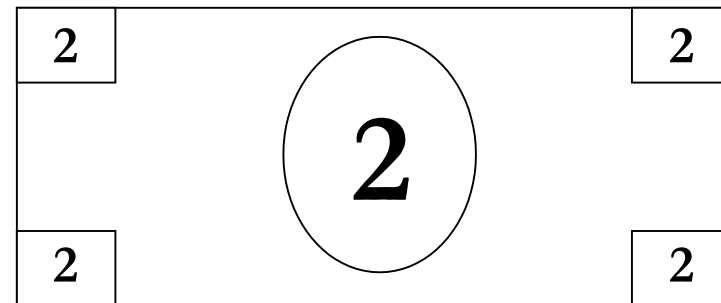
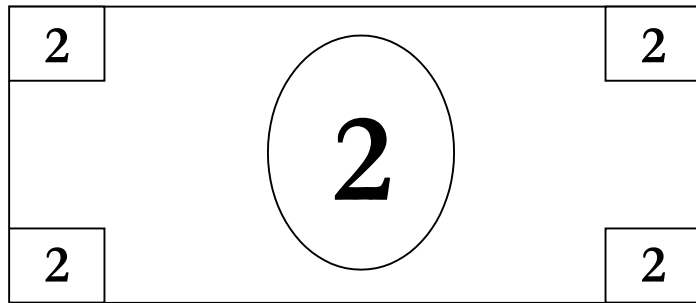


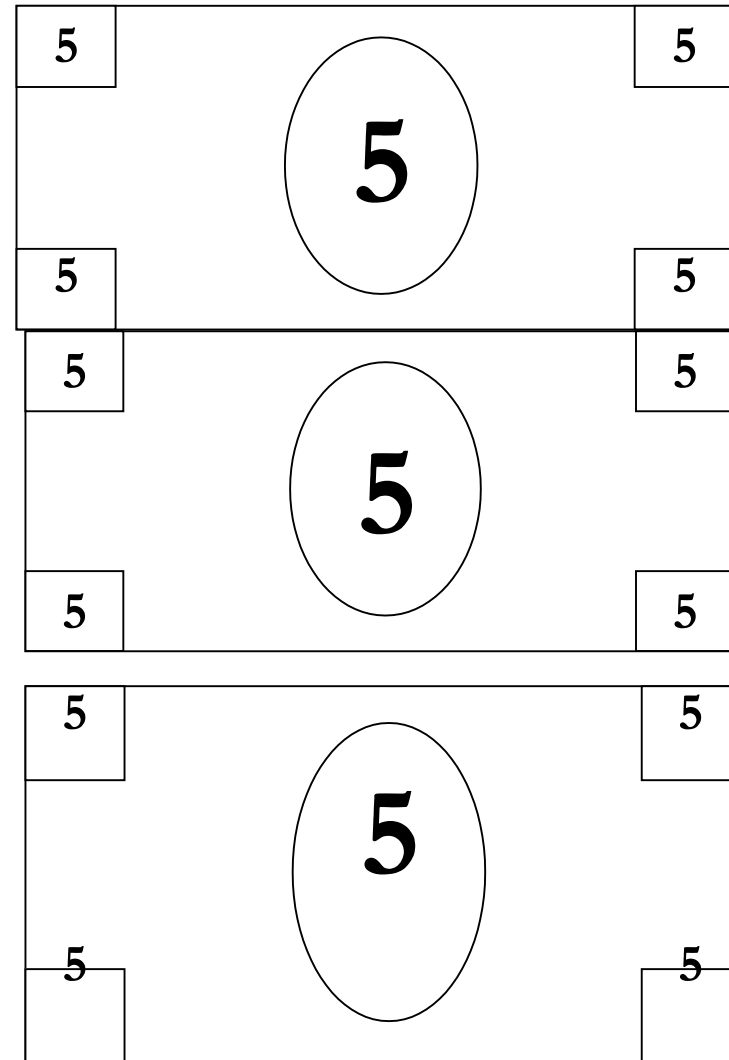
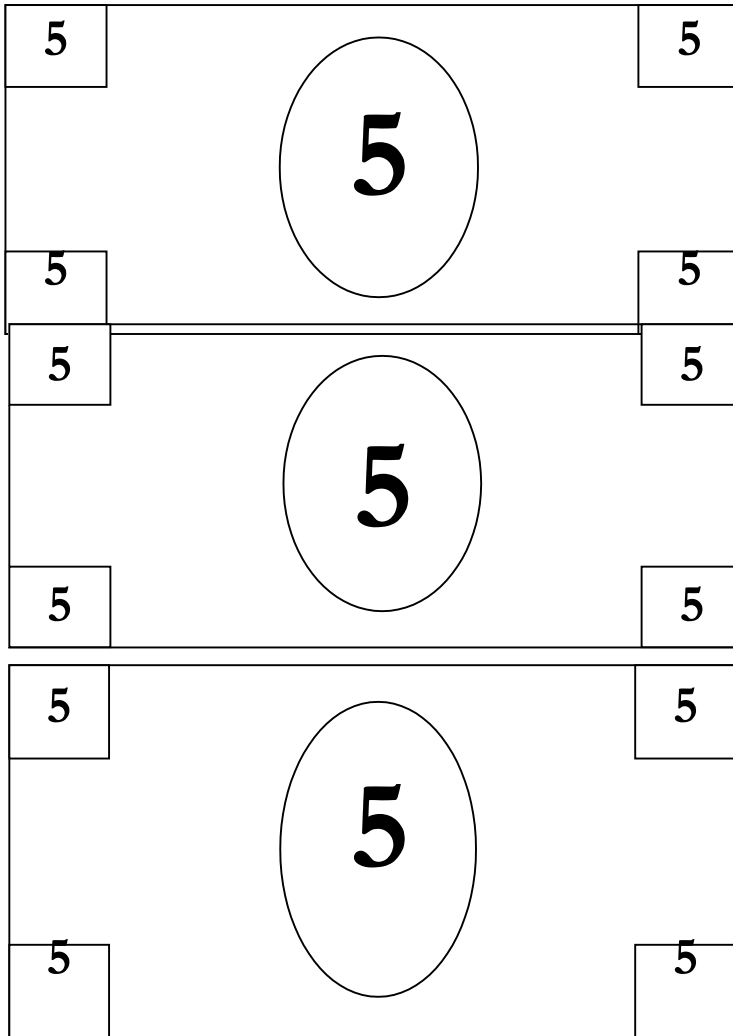
Facilitator Tool 8.B: Money Template

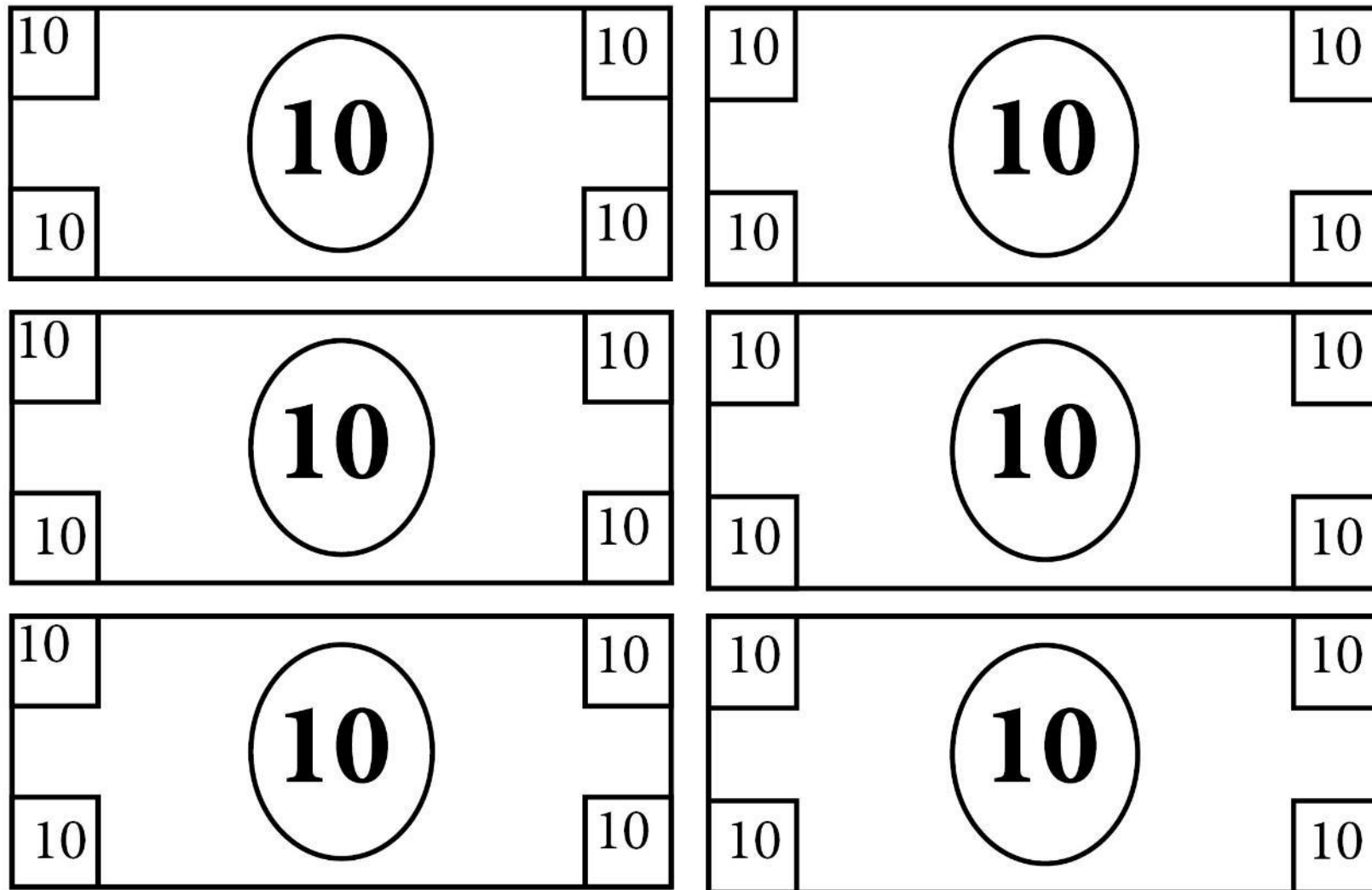
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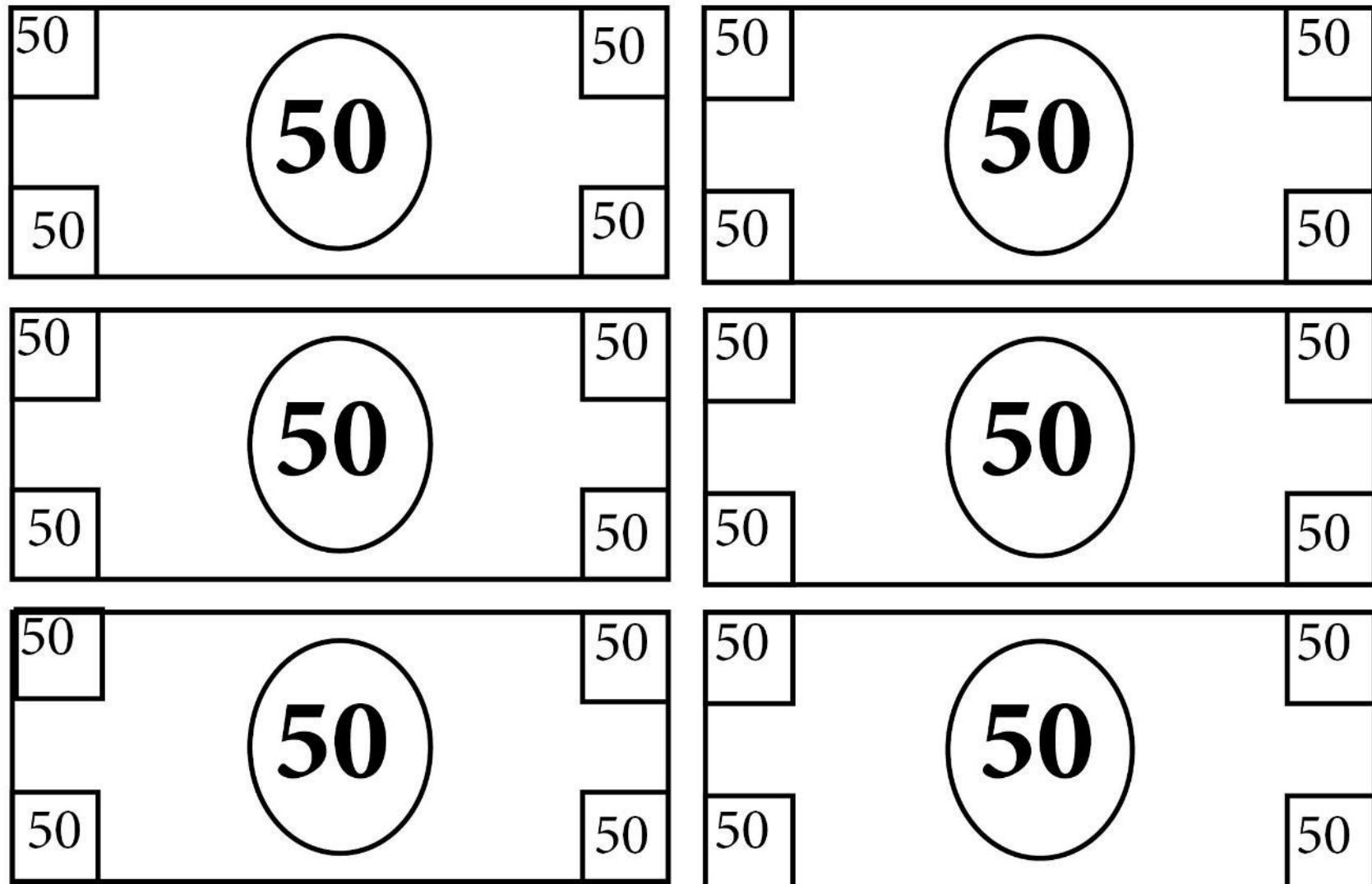












Facilitator Tool 8.C: List of Items at MYTown Shopping Bazaar

Below is a list of items that the groups can buy at MYTown Shopping Bazaar, and their prices. For each item, prepare paper squares (about 3 inches square) that contain the name of the item, the price of the item, and a picture of the item (from a magazine, drawing, or whatever you can find). Using paste (or tape), stick all of these items on a flipchart paper or lay them out on a table with the heading MYTown Shopping Bazaar on it. The participants will remove the paper squares and take them back to their groups as they purchase the items.

Food: 20	Ice Cream: 10
Food: 20	Ice Cream: 10
Food: 20	Sunglasses: 30
Food: 20	Radio: 150
Food: 30	Clothes: 40
Food: 30	Clothes: 40
Food: 30	Clothes: 70
Food: 30	Clothes: 70
Food: 30	Mobile Phone:
Food: 40	200 Handbag: 200
Food: 40	Shoes: 200
Food: 40	Bed: 300
Food: 40	Sofa: 550
Food: 50	Sunglasses: 30
Food: 60	Wrist Watch: 90
Food: 60	Juice: 10
Food: 60	Juice: 20
Food: 70	Ball: 20
Food: 80	Panty: 50
Food: 80	Television: 600
Food: 80	



Handout 8.3: Our Income for the Week


<u>WEEK 1</u>	Amount
Sales (What we sold): Finished Product 1 Finished Product 2 Finished Product 3	
Total Sales	
Expenses (Materials we bought): Material 1 Material 2 Material 3 Other expenses:	
Total expenses	
Net Income for the Week	
Less: Allocation for materials next week ("Negosyo")	
Allocation for Personal expenses ("Pansariling gastusin")	
Allocation for Savings ("Ipon")	
Remaining Money	

<u>WEEK 2</u>	Amount
Sales (What we sold): Finished Product 1 Finished Product 2 Finished Product 3	
Total Sales	
Expenses (Materials we bought): Material 1 Material 2 Material 3 Other expenses:	
Total expenses	
Net Income for the Week	
Less: Allocation for materials next week ("Negosyo")	
Allocation for Personal expenses ("Pansariling gastusin")	
Allocation for Savings ("Ipon")	
Remaining Money	

Activity 3: Unexpected Costs and Loan Payment

- ✓ **Objectives** - By the end of the activity, participants will be able to:
- Understand the importance of maintaining positive cash flow

 **Time Required:** 2 hrs 5 min

 **Methodology:** simulation game, group work, large group discussion

 **Materials and Preparation:** manila paper, markers, tape

☐ SAME MATERIALS AS IN PREVIOUS ACTIVITY

Steps:

1. Arrange learners in the same groups as in the previous 2 activities. Remind them of the purpose and the rules of the game. Ask learners if they remember what the main parts of a business cycle are (buying, producing (adding value), selling).

(5 min)

2. Play the game – Cycle # 2.

(55 min)

Tell learners that they will play the game again and that you will introduce new questions or events along the week.

CYCLE # 2: Have all groups play at the same time – read instructions for each day (below).

(Note to Facilitator: This cycle will introduce two *NEW!* elements:

- an unexpected event that they will need to pay for and
- the collection of debt from someone they owe money to.)

Start the game!

Trainer Tips

- If groups run out of money, they may return previously purchased raw materials to the Bagsakan Center for a refund of half its buying price.
- Groups are not allowed to negotiate with the Bagsakan Center. If, however, groups take their own initiative to negotiate or ask for a discount, incentivize them to be creative and think of ways that they might truly be able to get a discount in the market. Say things like: "I only give discounts if you purchase more than 10 units at a time, then you get the 11th one free." Without telling them this, they may decide to get together with another group to make bulk purchases.

- Place the mark you are using on Monday (the first day). Move the mark to the next day as you move through the week.
- “MONDAY: you need to buy materials from Bagsakan Center. How much material will you buy for your business?” (give 5 min)

Bagsakan Center (sells all kinds of raw materials)

Display Bagsakan Center sign. Say: “Every Monday you can buy raw material from the town’s Bagsakan Center (wholesaler of all kinds of raw products).”

Note to the Facilitator: You should prepare before-hand the list of raw materials needed in the identified business of the groups (refer to Activity 1). Write them down in small pieces of paper with corresponding estimated cost. You may seek the assistance from learners in costing the raw materials.

Raw material:

Show the participants the small, white pieces of paper and explain: “These are the raw materials that you can buy from the Bagskan Center to make your goods. You will be adding value to the raw material by folding it or drawing on it, to show that it is a finished product. The raw material cannot be broken into smaller pieces, one piece of raw material is enough for exactly one finished product. If you do not finish producing your product during your time to produce, it will be incomplete, and you will only be able to sell it during the following week of business.”

- “TUESDAY: you ‘manufacture’, in other words, you work with the materials to make a finished product.” (give 5 min)

Say: “The way you produce a finished product is by drawing something on the white pieces of paper that are your raw materials.”

- “WEDNESDAY: You have your products ready and now you sell them at the market. You always sell everything you make!” (give 5 min)

Market Day (people buy your product at your given price)

Display the Market Day sign. Say: “In this popular market you always sell out all the products that you bring. The market is on Wednesdays and people buy your product at your given price. But they only buy good quality products.”

Note: On this Market day, tell each group to display their “finished” products with corresponding price. For each ‘business’ group, assign a watcher who will entertain buyers/customers. Other members of the group will act as buyers/customers where they will go from one group to another to buy their “finished” products.

- “**THURSDAY**: You clean up your shop. Now it’s time for you to compute the income that you generated during the Market day.” (give 10 minutes)

Have each group go to **Handout 8.3: Our Income for the Week** (from the previous Activity) in their Participant’s Handbook and work on **Week 2 ONLY**. Ask them to write their Sales (What we sold) and Expenses (What we bought to produce the finished products) and to calculate its respective totals. Then tell the groups to compute their income for the week (Total Sales – Total Expenses = Income). Ask the group to take note of the computed amount of their income as they prepare for “Friday” activity.

- “**FRIDAY**: Congratulations! You made it through the second week! Now you need to plan for next week.” (give 5 minutes)

Give each group their three *P.I.N. Allocation containers* (3 containers to use to separate the money for *personal expenses* (*pansariling* – *gastusin*), for *Savings* (*Ipon*), and the *business* (*Negosyo*).

P.I.N. Allocation Containers

“You need to work in your groups to plan how your business will allocate (use) its income for the next week”.

- How much money will you put into your business expenses next week (to buy raw material from Bagsakan Center)? Place the money in the container labeled N (Negosyo). Emphasize to the group that they should set aside the amount they used in buying raw materials last week plus additional money to buy more materials next week.
- How much money will you spend on personal needs such as food and other things for your family? Place the money in the container labeled P (Pansariling---gastusin --- personal).
- How much money will save for yourself and others and in case of an emergency? Place the money in the container labeled I (Ipon --- savings).”

Explain that in real life, it is very important to separate money to spend on personal things and money to spend on the business.

Ask the groups to go back to **Handout 8.3: Our Income for the Week** in their Handbook and fill the expense item on “Negosyo”, “Pansariling gastusin” at “Ipon”.

- “**SATURDAY**: This is the day for spending. You can go to MY Town Shopping Bazaar.”

MY Town Shopping Bazaar:

Display MY Town Shopping Bazaar Shop sign. Say: “You need to look after your family members. You usually buy all you need at MY Town Shopping Bazaar. Here you can buy food, clothes, furniture, and other items for your family. If you buy food, it only lasts for 1 week or it goes bad. MY Town Shopping Bazaar is open only on Saturday”.

Assume that they already have necessary items such as clothes. If groups decide to purchase other items besides food, these are luxuries.

- “**SUNDAY**: This is a rest day.”

NEW! While you are resting, your father calls and tells you that your younger sister is sick and you need to help by sending money. Send her Php 100.

Then a good friend comes to visit. Last year you had borrowed money from him and you were supposed to pay him a few months ago, but you were starting your business so you thought he could wait longer. He explains that his daughter is getting married so he needs the money back now. Pay him Php 200.

3. Cycle # 2 is finished. How are you doing with your money?

Ask learners to determine the money they have left (from **Handout 8.3**) after sending money to a sister and paying the debt to a friend. Ask them to discuss what went well and what did not. Reflect on what they spent on, what decisions they made.

(15 min)

4. Debrief with all learners:

- Did you have enough money to send to your sister?
(some groups may not have been able to send the money to the sister and/or may not have been able to pay their debt. Discuss with them what would they do differently next time.)
- How does this change the plans you made for next week? Will it affect your business? In what ways?

- What did you learn from this experience?
 - How do you think it can help you if you have the list of income and expenses? **(Handout 8.3)**
 - If you knew about these unexpected costs, would you do anything differently?
(20 min)
5. Explain that this game includes the different parts of a Business Cycle and it presented different scenarios that may happen in real life.

Gather learners in a circle and debrief the Game using the following questions:

Debriefing Questions:

- a. What happened in cycle # 2 (*Unexpected costs came up. A family emergency and debt that we needed to pay*)
- b. Are these examples of unexpected costs common? Or do they never happen in your community? Do you think that if you are running a business, something like this can happen to you? Why?
- c. Do you think it was important to plan for your week or do you think it is better to go through the week without planning? (*planning is an important aspect of being financially fit*) Let them reflect back to what they learned in Module 7 (*Financial Fitness*)
- d. What can you do to be ready for unexpected costs?
- e. What else did you learn in this game?

Remind learners of the following Good Practices for Financial Fitness:

- Plan your expenses including your business and your personal expenses.
- Separate money that is for personal expenses (pansariling---gastusin) (P), savings (ipon) (I), and business (negosyo) (N) – P.I.N.
- Always set aside money to save (Ipon) for emergencies or other unexpected costs, even if it is in small numbers
- Track your expenses – to be financially fit, it is important to keep a record of what you spend and what you spent your money on.

(30 min)

SESSION 2: BUSINESS PLANNING

Activity 4: The Six “P’s” for Entrepreneurship

✓ **Objectives** – By the end of the activity, participants will be able to further develop their initial learning from Session 1 and:

- Understand the basic components of a Simple Business Proposal
- Use the 6 “P’s” for Entrepreneurship to identify business opportunities and start to plan how to pursue a business idea.





Time Required: 1 hour 35 min



Methodology: small group work, large group discussion, brainstorming



Materials and Preparation: manila paper, markers, tape

- ☐  **Handout 8.4: Key Questions to Prepare a Business Plan**
- ☐  **Handout 8.5: The Six “P’s” for Entrepreneurship**
- ☐ Prepare a manila paper with the 2 ‘Key Questions that Help Identify Business Opportunities’
- ☐ Prepare a manila paper with the ‘Key Questions to Prepare a Business Proposal’



Steps:

1. Explain to participants that the last session introduced the parts of a Business Cycle and good practices of financial fitness.

This session will be an opportunity for learners to practice some of those good practices by preparing a Simple Business Proposal, while taking into account the different parts of a Business Cycle.

Key Topic

- Identifying Business Opportunities in the Community
- Prioritizing and choosing a business idea
- Understanding the Six P’s of Entrepreneurship
- Doing the math: Business Cost and Profit
- Steps in preparing a simple business proposal
- The importance of keeping records

Ask 2-4 learners to give an example of someone they know who started a business and is doing well with his or her business now. Ask them: What type of business is it? Why do you think s/he successful with his/her business? Answers will vary.

Explain that an important part of having a successful business is choosing the right business. For that, we need to know how to identify business opportunities and know how to choose the right one.

(15 min)

2. Form 4 groups and ask them to think of ways that they can identify a good business opportunity, what type of questions would you need to answer? Give them 5 minutes. Debrief together asking 2-4 learners to share what they discussed in their groups.

(15 min)

3. Explain that there are two main questions that can help us identify business opportunities. Display these questions in the manila paper that you prepared:

Key Questions that Help Identify Business Opportunities:

- ~ What products or services are lacking in your community?
- ~ What products or services do people want a lot of but are hard to find or are available only far away?

Have groups discuss these questions and develop a list of possible business opportunities. Then they decide to choose one business idea which they will use for the next activities.

(25 min)

4. Ask learners to imagine that they want to start the business that they selected together in their groups.

Use the meta cards that you prepared with the 4 questions. Read one question at a time out loud and post it on the wall, allow 2 minutes for groups to discuss the question, and have each group share their answers.

Repeat the same for all 4 questions.

Key Questions to Prepare a Business Plan:

1. What is your product or service? - PRODUCT
2. Who will buy your product or service? - PEOPLE
3. What will be the price of your product or service? - PRICE
4. Where is the location of your business (production area) - PLACE
5. How will you advertise your product or service? - PROMOTE
6. How will you make the product or deliver the service? What will you need? (skills, technology, material, space, etc.) - PRODUCTION

After reviewing all questions, refer participants to **Handout 8.4: Key Questions to Prepare a Business Plan** in their Participant's Handbook. They can use this list as reference when they prepare their own Business Plan.

(30 min)

5. Have participants go to **Handout 8.5: The Six "P's" for Entrepreneurship** in their Participant's Handbook. Review all Six "P's" together as a group. Ask if they have any questions and clarify as needed.

Explain that they will be using the 'Six "P's" for Entrepreneurship' when developing their own Business Proposal to present.

(10 min)



Handout 8.4: Key Questions to Prepare a Business Plan

The following questions can be helpful when developing a Business Plan:

1. What is your product or service? - PRODUCT
2. Who will buy your product or service? - PEOPLE
3. What will be the price of your product or service? - PRICE
4. Where is the location of your business (production area) - PLACE
5. How will you advertise your product or service? - PROMOTE
6. How will you make the product or deliver the service? What will you need? (skills, technology, material, space, etc.) - PRODUCTION



Handout 8.5: The Six “P’s” for Entrepreneurship

PRODUCT

The product that you will sell or the service that you will provide.

PEOPLE

The people or customers that you think will buy your product or your service.

Place

The location of your business, production area.

PPRICE

How much can you charge for the product or service? How much do other businesses charge for a similar product or service?

PROMOTE

How will you make sure that others know about your product or your service? How will you make your product or service attractive to customers? Where will you sell your product or service (market outlets, selling places)?

PRODUCTION

What it will take you to develop the product or deliver the service? What you will need to develop the product or deliver a service.

Activity 5: Business Planning & Learner's Assessment

- ✓ **Objectives** - By the end of the activity, participants will be able to further develop their initial learning from Session 1 and:
- Calculate the fixed capital, costs of production, total start-up capital to start a new business, and expected profit
 - Identify ways to gather resources needed
 - Apply the Six "P's" for Entrepreneurship to start developing a Business Proposal







Time Required: 2 hours 40 minutes



Methodology: small group work, large group discussion



Materials and Preparation: manila paper, markers, tape

- ☐  **Handout 8.6: Doing the Math – Costing for a New Business**
- ☐  **Handout 8.7: Doing the Math – Costing to Produce / Deliver**
- ☐  **Handout 8.8: Business Plan Format**
- ☐  **Handout 8.9: Additional Information**
- ☐ Make 1 copy per participant of the End-of-Module Assessment



Steps:

- Tell participants that they will now learn more about one of the Six P's to be able to calculate costs and the price of their product or service.

(5 min)

- Calculate "fixed costs" to start a business.

Continue with the same groups. Have learners go to **Handout 8.6: Doing the Math – Costing for a New Business** in their Participant's Handbook.

Q1: What are the tools, equipment, machines, utensils that you will need?

Explain to the learners that these are called "*fixed costs*" to start a business.

Doing the Math:

--- List all things that you will need to start your business or service (on the left column).

--- How much will each of those things cost? State the amount (on the right column).

--- Add up all values in the right column.

Assist groups as needed. Check for accuracy in their calculations.

Explain that the total value is their *Total "Fixed Capital"* needed to start a business.

(20 min)

3. Calculate costs and sales:

1st: Calculate costs to produce a product or deliver a service.

Have learners go to **Handout 8.7: Doing the Math – Costing to Produce / Deliver** in their Handbook.

Q2: What are the raw materials and supplies that you will need to produce your product or deliver your service, during 1 month? List all items that you will need to produce the product or deliver the service (on the left column). How much will each of those things cost? State the amount (on the right column). Add up all values in the right column and copy the result in the circle. This is the your “production cost” for 1 month business operation.

Explain to the learners that the 1 month production cost they calculated is also the operating cost they need to initially run the business.

2nd: Calculate the total capital needed to start a business. Invite learners to review **Handout 8.6** and **Handout 8.7** in their Handbook.

Doing the math: Ask the learners to add the figure (total “fixed capital”) in **Handout 8.6** and the total “production cost” in **Handout 8.7**. The result of the calculation will now become the “total needed capital” to start a business, also called “Total Start-up Capital”.

3rd: Calculate the expected sales from the business.

Q3: Based on your list of materials, estimate how many units of your product can you make? (for example, 10 bottles). If it is a service, how many customers can you serve? Write that number in the triangle. This is the “number of products to be produced”.

Q4: How much can you sell your product/service for? State the amount in the square. This is the “price” of your product/service.

Doing the math: Make the calculations in the figures and place the result in the space after the equals sign. This is your “sales”. This is the total amount of money that you can get from selling your products.

Assist groups as needed. Check for accuracy in their calculations.

(30 min)

4. Calculate the expected profit from the business:

Invite learners' attention to the previous exercise on “sales” and **Handout 8.7**.

Ask the learners to do simple math calculation by subtracting the “production cost” (total cost in **Handout 8.7**, also the figure placed in the circle) from the “sales”. The resulting figure is the profit.

Have each group share the final results of their calculations – the amount in the diamond.

Explain that *profit* is the amount that the business can generate in a week, as long as they included all the costs in the table.

(25 min)

5. Discuss ways to identify resources.

Invite a guest resource person or guest facilitator to talk about identifying resources needed to start a business. This person may come from government agencies (DTI, DOLE, CDA, DSWD, etc), local cooperative or local successful businessman.

Ask learners: *What are the different types of resources that you need to get started with your business?*

Tell groups to discuss briefly and share a list of things (or resources) that they will need to start a business. They can refer to the list that they developed in the previous steps.

(Ideas will vary: equipment, machines, old utensils, used machinery that you can use, materials to get started with some initial work, money, etc.)

Then, ask: *Who do you think may be willing to provide those resources that you need? Think of people and institutions.*

Tell groups to discuss briefly and share a list of people or institutions. Explain that they can also find out if any institution is open to reviewing your Business Proposal for possible support. For example, DOLE is often open to reviewing Business Proposals to consider them for possible funding support.

(35 min)

6. Application of Learning:

Introduce the Assignment: **Business Proposal**

Tell learners that one of the 2 products that they will prepare and present at the end of the Life Skills training is a Business Proposal. Give the instructions for the assignment (and post them in manila paper for learners to have as reference later on).

Assignment Instructions:

- You will develop and present a Business Proposal.
- Use the Key Questions that Help Identify Business Opportunities to make a list of business ideas.
- Use what you learned about prioritization to choose one business idea.
- The business idea must be something you want to pursue after the training. Something realistic, NOT a scenario.
- The Business Proposal can be for a new small business that you want to start or a business you already have that want to improve.
- Work individually, in pairs, or in groups, depending on the business idea you have and how you want to implement it.
- Use the Six P's for Entrepreneurship. Use the format in **Handout 8.8: Business**

Proposal Format, also included in their Handbook.

- You need to prepare your Business Proposal in your own time and be ready to present it on a date decided by the facilitator.
- You may ask the facilitator for guidance or clarification as needed. Ask them to go to **Handout 8.8** in their Handout and review the Business Proposal Format with learners.

Explain:

After your presentation, the facilitator will review your Business Proposal and will share feedback and suggestions for you to improve the Proposal. This will help you have a Business Proposal ready that you can share with others in your community and look for sources of funding as needed to implement your plan.

Encourage participants to review **Handout 8.9: Additional Information** in their Handbook in their free time to revisit some important concepts related to planning, starting, and running a business.

(25 min)

7. Congratulate participants for finishing Module 8. Explain that they will now take a short assessment to see how much they learned. Clarify that this assessment is very important for the Facilitator and for themselves to see what knowledge and skills they know and what they still need to reinforce. The results will not affect your ability to continue in the program.

(20 min)

Make sure learners are seated in a way that is conducive to testing and with enough space between learners.

Give each learner a copy of the End-of-Module Assessment and ask them to answer the questions.

Once participants have finished the post assessment, go over the answers with them if time permits.

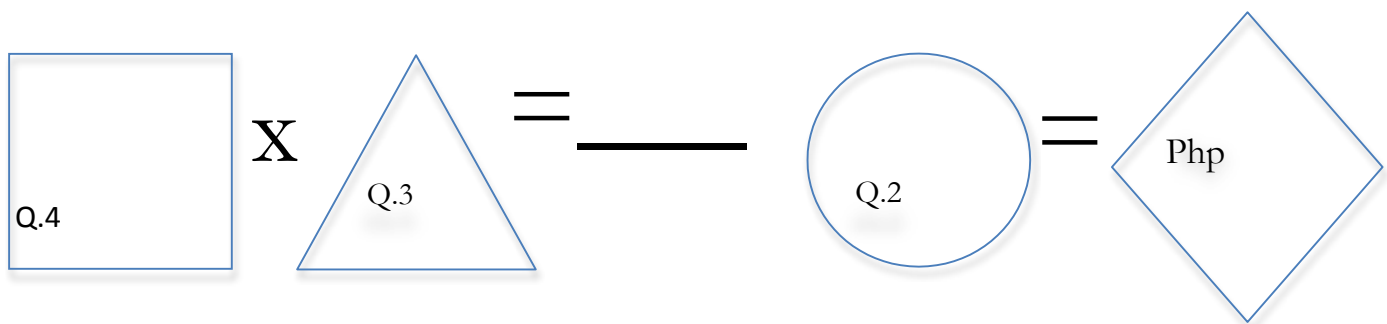

Handout 8.6: Doing the Math – Costing for a New Business

What equipment, tools, utensils do I need to make the product or deliver the service? RESOURCES	How much do these things cost? COSTS
1	Php
2	Php
3	Php
4	Php
5	Php
TOTAL CAPITAL:	Php



Handout 8.7: Doing the Math – Costing to Produce / Deliver

What raw materials, supplies and production staff, do I need to make the product or deliver the service <u>for 1 month</u> ? RESOURCES	How much do these things cost? COSTS
1	Php
2	Php
3	Php
4	Php
5	Php
6	Php
7	Php
8	Php
9	Php
10	Php
TOTAL: (production cost)	Php





Handout 8.8: Business Proposal Format

Proposal Submitted to:

Name of the Business:

Type of Business: (retail, wholesale, production, services)

Location of the Business:

Product Description (*PRODUCT: The product that you will sell or the service that you will provide*).

- 1.
- 2.
- 3.

Target Customers / buyers (*The people or customers that you think will buy your product or your service. Examples: young mothers, children, farmers, etc.*)

- 1.
- 2.
- 3.

Location of the business (*The place of production, production area*)

Product Price (*Determine the selling price for each of your products or services*)

- Product 1.
- Product 2.
- Product 3.

Promotion *(Describe your market outlets, for example, selling place, location of buyers, etc. And describe how you will advertise your product or service to your intended customers. Example, word of mouth, fliers, radio, speaking at events, public display, etc.)*

Production *(List the needed equipment, tools, utensils, raw materials /supplies, and skills needed to start a business)*

- a. Equipment, tools, utensils:
- b. Raw materials / supplies needed:
- c. Skills needed:
- d. Personnel needed:
- e. Number of products produced in a month:

FINANCIAL REQUIREMENTS FOR THE BUSINESS:

- A. Fixed Capital --- List of tools, equipment, utensils and other machineries and calculate the Total Fixed Capital cost *(refer to Handout 8.8)***
- B. Production Capital --- List of raw materials, supplies, production staff for 1 month and calculate the total cost *(refer to Handout 8.9)***
- C. Calculate Total Start---Up Capital for the Business (A plus B)**
- D. Estimated Profit for 1 month operation *(refer to Handout 8.9)***

Proposal Submitted by: *(full name)* **Date:** _____



Handout 8.9: Additional Information

Basic Business Cycle

Family expenses are important, but your business cannot survive if your personal and family expenses become too large. It is important to ensure that you have enough money to keep your business running and to grow your business.

Personal necessities are more important than luxuries (things you want but might not really need). Only buy luxuries when your business is making enough money all the time so that you are sure that you can afford them.

People and organizations often charge interest on loans they give to you. You need to plan to repay the interest, as well as the actual loan, if you get a loan.

Your cooperation – with buyers, suppliers, lenders, and even competitors – is an important element of success.

You can often negotiate a lower cost for raw materials or finished products when the seller needs money immediately.

Unexpected Costs

It is important for you to plan for unexpected events and costs by saving money in case these happen.

It is important to spend money on important necessities (such as medical treatment) in order to prevent future problems.

If you have no savings, you may not have enough money when unexpected costs arise.

Record-Keeping

It is important for you to keep records to see who owes you money, to assist with planning, and to see if the business is making money.

Business Planning

As you run your business, it is important to update your business plan with additional information about what actually happened during the business cycle. Always compare what you are doing to what you had planned to do to see how your business is doing.

End-of-Module Assessment

Module 8: Exploring Entrepreneurship

Circle an answer for each statement.

English	Tagalog
<p>1. When a business sees a big drop in sales, it usually also sees a big drop in profits.</p> <p>a. True b. False</p>	<p>1. Kapag malaki ang ibinaba ng benta ng isang negosyo, madalas rin itong nakararanas ng malaking pagbaba sa kita.</p> <p>a. Tama b. Mali</p>
<p>2. Which of the following is <i>not</i> a very good use of business money:</p> <p>a. Buying additional products because you expect an increase in demand b. Borrowing from the business to pay for a new television for your family c. Repairing a broken light in the production space or retail shop d. Hiring an extra person for a short while during a busy period</p>	<p>2. Alin sa mga sumusunod ang HINDI magandang paggamit ng perang pangnegosyo:</p> <p>a. Pagbili ng karagdagang produkto dahil may inaasahan kang pagtaas ng demand b. Pag-utang mula sa negosyo para magbayad ng isang bagong TV para sa iyong pamilya c. Pagpapaayos ng sirang ilaw sa pagawaan o tindahan d. Pagkuha ng karagdagang tao nang sandali sa panahong mabigat ang trabaho</p>

<p>3. Which of the following is a benefit of keeping good records:</p> <ul style="list-style-type: none"> a. Records allow you to remember who owes you money b. Records help with general planning c. Records help to analyze how the business is doing, draw lessons, and make corrections moving forward d. All of the above 	<p>3. Alin sa mga sumusunod ang dulot na kabutihan ng pananatili ng maayos na pagtatala:</p> <ul style="list-style-type: none"> a. Ipinapaalala sa iyo ng talaan kung sino ang may mga utang sa iyo b. Nakatutulong ang mga tala sa pagpapalano sa kabuuan c. Nakatutulong ang mga tala para masuri kung ano ang lagay ng negosyo, para mapagkunan ng mga aral, at para maitama sa hinaharap ang mga naging pagkakamali d. Lahat ng nabanggit
<p>4. Owners of small businesses do not make enough money to save for unexpected events, like medical emergencies.</p> <ul style="list-style-type: none"> a. True b. False 	<p>4. Hindi sapat ang kinikita ng mga may-ari ng maliliit na negosyo para makaipon para sa mga di-inaasahang pangyayari, tulad ng mga medical emergency:</p> <ul style="list-style-type: none"> a. Tama b. Mali
<p>5. The safest place to save your money is:</p> <ul style="list-style-type: none"> a. In the bank or savings group b. With a friend c. In a corner of the home d. Saving is for people who worry too much 	<p>5. Ang pinakaligtas na puwede mong pagtaguan ng iyong pera ay:</p> <ul style="list-style-type: none"> a. Sa isang bangko o paluwagan b. Sa isang kaibigan c. Sa isang sulok ng tahanan d. Ang pag-iipon ay para lang sa mga taong mahilig mag-alala
<p>6. You should always plan how much you will spend on your business, how much you will save and how much you will spend on your family.</p> <ul style="list-style-type: none"> a. True b. False 	<p>6. Dapat lagi mong planuhin kung magkano ang gagastusin mo sa negosyo, magkano ang iipunin, at magkano ang ilalaan para sa pamilya.</p> <ul style="list-style-type: none"> a. Tama b. Mali

<p>7. Forming partnerships with other businesses in the area is a bad idea because they are your competitors and cannot be trusted.</p> <p>a. True b. False</p>	<p>7. Hindi magandang makipagkatuwang sa mga ibang negosyo sa iyong lugar dahil mga kalaban mo sila at hindi mapagkakatiwalaan.</p> <p>a. Tama b. Mali</p>
<p>8. One should not put business expenses before personal necessities, but luxury items can be put off until the business has a steady cash flow and additional funds that can be allocated to personal use.</p> <p>a. True b. False</p>	<p>8. Hindi dapat inuuna ang mga gastusing pangnegosyo sa mga pansariling pangangailangan, pero maaaring ipapaliban ang mga luho hanggang sa tuloy-tuloy na ang daloy ng pera sa negosyo ay may labis nang pondong puwedeng ilaan sa sarili.</p> <p>a. Tama b. Mali</p>
<p>9. Before taking a risk you should ask yourself what will be achieved by taking the risk.</p> <p>a. True b. False</p>	<p>9. Bago sumugal sa hindi sigurado, tanungin ang sarili kung ano ang makukuha ditto.</p> <p>a. Tama b. Mali</p>
<p>10. A business plan can be updated as you run your business.</p> <p>a. True b. False</p>	<p>10. Maaaring baguhin ang isang planong pangnegosyo habang pinapatakbo mo ang iyong negosyo.</p> <p>a. Tama b. Mali</p>

End-of-Module Assessment

Module 8: Exploring Entrepreneurship

1. True
2. b
3. d
4. False
5. a
6. True
7. False
8. True
9. True
10. True