KAMAPIM BISNIS PLEN

COURSEBOOK 3

Step 4 COMPLETE the business plan

Step 5 CONFIRM the business plan

The *strongim grup* coursebook series and the *kamapim bisnis plen* coursebook series are for Community Development Workers. Community Development Workers are people who work with communities and groups and families to help them develop. Community Development Workers support community-led development, participatory development, inclusive development, and building local capacity.

The *strongim grup* coursebook series shows a Community Development Worker how to help a community group to run their organisation so that it is well-managed, well-governed, and better able to work with other outside organisations that can give support. The *kamapim bisnis plen* coursebook series shows a Community Development Worker how to help a community group to develop a business plan. Community groups can be any community-based organisation, for example, Ward committees, youth groups, farmer groups, women's groups, family businesses, sports clubs, associations, cooperatives, church groups.

STRONGIM GRUP

①	***Kamapim ol praioriti***. HOW TO HELP A GROUP IDENTIFY THEIR VISION AND MISSIONS, PRIORITIES TO ACHIEVE THEIR MISSIONS, AND DEVELOP AN ORGANISATION PROFILE.
②	***Kamapim ol eksen Plen***. HOW TO HELP A GROUP PREPARE AN ANNUAL PLAN, A BUDGET, AND PROJECT PLANS.
③	***Setim gutpela kastom bilong ronim grup***. HOW TO HELP A GROUP COME UP WITH *WOK MAK* FOR THE PRINCIPLES OF GOOD GOVERNANCE. *MAMA LO* FOR THE GROUP. A CONSTITUTION.
④	***Wok bilong meneja na memba na lida***. THE ROLES AND RESPONSIBILITIES OF THE BOARD OF MANAGEMENT AND THE MEMBERS OF THE GROUP AND THE LEADERS.
⑤	**Financial management manual**. HOW TO HELP A GROUP MANAGE THE FINANCES OF THE ORGANISATION.
	Course facilitator guide

KAMAPIM BISNIS PLEN

①	**Step 1 RESEARCH the business ideas**. HOW TO HELP A GROUP TO RESEARCH THEIR BUSINESS IDEAS (MARKET RESEARCH) AND CHOOSE THE BEST BUSINESS IDEAS
②	**Step 2 ANALYSE the best business ideas. Step 3 DECIDE on the best business idea.** HOW TO HELP A GROUP TO ANALYSE THE BEST BUSINESS IDEAS (BUSINESS ANALYSIS) AND DECIDE ON THE BEST BUSINESS IDEA
③	**Step 4 COMPLETE the business plan. Step 5 CONFIRM the business plan.** HOW TO HELP A GROUP TO COMPLETE THE BUSINESS PLAN AND HOW TO HELP A GROUP TO REVIEW AND CONFIRM THE BUSINESS PLAN
	Course facilitator guide

The *strongim grup* series of coursebooks was prepared by Christopher Gard, with support from CARE PNG and the Australian Council for International Agricultural Research. The *kamapim bisnis plen* series of coursebooks was prepared by Christopher Gard and Kirt Hainzer, with support from the Australian Council for International Agricultural Research and guidance from the National Development Bank. Permission is given to use these coursebooks in part or in full, provided the coursebooks are not sold for profit, and so long as the source is acknowledged.

THE PNG NATIONAL STANDARD FOR COMMUNITY DEVELOPMENT WORKERS

Community Development Workers are people who work with communities and groups and families to help them develop. Community Development Workers support community-led development, participatory development, inclusive development, and building local capacity.

Community Development Workers might be people from *inside* the community. For example, Ward representatives, grade-12 leavers, youth leaders, Pastors, community volunteers, community educators, women leaders, village liaison officers, and rangers. Community Development Workers might be people from *outside* the community. For example, agriculture extension officers, District officers, Community Government members, business development officers, NGO field workers, community affairs officers, or company extension officers. Often Community Development Workers will also have other expert skills. For example, an agriculture extension officer might be an expert on farming systems (a *didiman)* and also a Community Development Worker.

If you are a Community Development Worker, the series of coursebooks below might interest you. They target the performance criteria *(wok mak)* from the PNG National Standard for Community Development Workers. Developed by leading PNG Community Development Workers, the National Standard was endorsed by the PNG Government in 2006, under the auspices of the National Apprenticeships and Trade Testing Board (NATTB). The National Standard identifies key jobs and duties for Communities Development Workers, then it lists the *wok mak* that Community Development Workers need to put into practice if they want to perform those jobs and duties in a way that meets the Standard. You can also be assessed and gain national (Government) accreditation as a Community Development Worker. To find out more, visit pngcdwstandard.com and nattb.org.

COMMUNITY DEVELOPMENT WORKER

❶	**MAKE PREPARATIONS, CONDUCT COMMUNITY ENTRY, AND PREPARE A REPORT**
❷	**TRAINING AND AWARENESS SKILLS**
❸	**COMMUNITY MAPPING AND NEEDS ANALYSIS (STEP 1 OF THE PROJECT CYCLE).** *GLASIM NA SKELIM SINDAUN.* **DEVELOP A PLAN (STEP 2 OF THE PROJECT CYCLE).** *KAMAPIM PLEN.*
❹	**FACILITATE AGREEMENT (STEP 3 OF THE PROJECT CYCLE).** *KAMAPIM WAN BEL.* **PROJECT START-UP (STEP 4 OF THE PROJECT CYCLE).** *SET GUT NA STATIM WOK.*
❺	**MONITORING (STEP 5 OF THE PROJECT CYCLE).** *SEKIM WOK.* **EVALUATION (STEP 6 OF THE PROJECT CYCLE).** *WOK LONG GLASIM BEK NA SKELIM.*
❻	**PROVIDE MENTORING**
❼	**FACILITATE A SPECIALIST'S VISIT**
	COURSE FACILITATOR GUIDE

The Community Development Worker series of coursebooks was prepared by Christopher Gard, with support from the Australian Council for International Agricultural Research, CARE PNG, the PNG-Australia Partnership, the World Bank, Oil Search Limited, the Autonomous Bougainville Government, and Fresh Product Development Agency.

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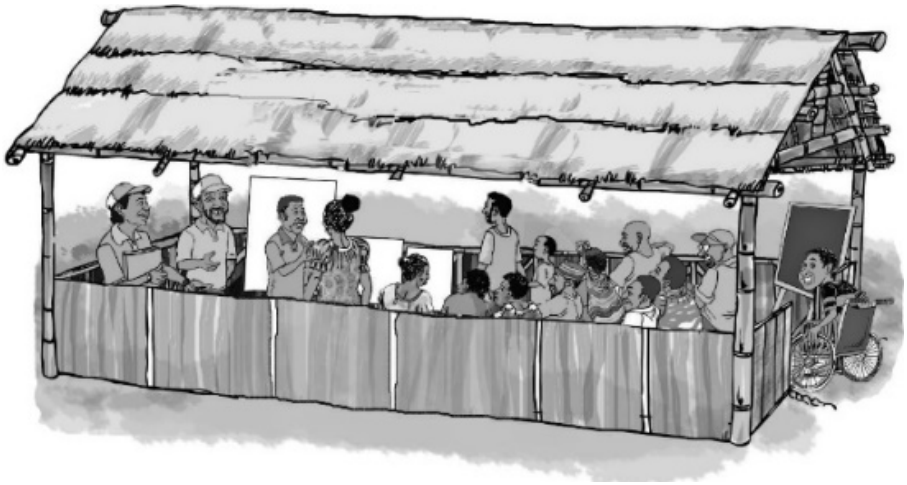
Putting it into practice

***Luk save.* You can use the topic to find the section you want. The topic is shown at the top of every page in each section.**

Tool kit for Community Development Workers

- ✓ Steps for Community Development Workers
- ✓ How to run a *kibung* with the members of a group to CONFIRM the business plan
- ✓ Three ways for a business to grow
- ✓ What to do with your business plan (if you want to get a loan)
- ✓ Betty and Benny's business plan
- ✓ Blank business plan form



Five steps to *kamapim bisnis plen*

COURSEBOOK 1	**STEP 1** **RESEARCH the business ideas**	*Bungim ol bisnis aidia*
		Raun na wokim wok painimaut (market research)
		Skelim gut ol bisnis aidia long painim wanem ol aidia wok long go pas

COURSEBOOK 2	**STEP 2** **ANALYSE the best business ideas**	*Glasim gut ol bisnis aidia we i wok long go pas* (business analysis)
		Singautim ol manmeri memba long kam bung
	STEP 3 **DECIDE on the best business idea**	*Tokim ol manmeri wanem as bilong kibung*
		Kliarim ol manmeri long ol bisnis aidia we i wok long go pas
		Ol manmeri memba wokim disisen long wanem bisnis long mekim
		Toktok long wanem ol neks step

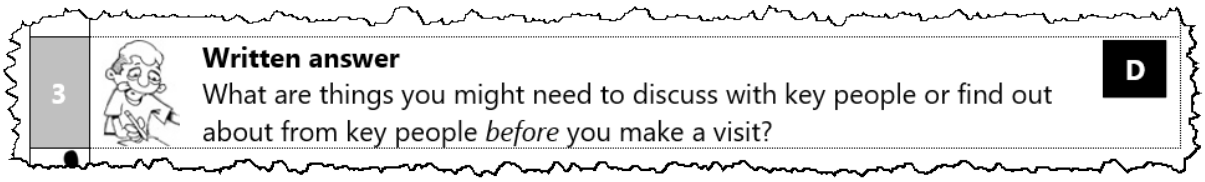
COURSEBOOK 3	**STEP 4** **COMPLETE the business plan**	*Wokim bisnis plen*
		Singautim ol manmeri memba long kam bung
	STEP 5 **CONFIRM the business plan**	*Tokim ol manmeri wanem as bilong kibung*
		Putim bisnis plen long ples klia
		Kisim tok orait long ol manmeri memba long gohet na mekim
		Toktok long wanem ol neks step

Learners who go through this series of coursebooks are encouraged to do so alongside one or more colleagues, working together in a small group. Doing this encourages shared learning and mutual support.

A good idea is to agree with your colleagues what topics you want to complete by the end of the month (or by the end of the quarter). If a colleague is unavailable, then continue without them (but let them know what they need to cover to catch up). If you don't have one or more colleagues to work with, then no problem. When the coursebooks says to work with your colleagues just do it yourself. *Nogat samting.*

In each coursebook, there are key questions that each learner will need to answer in their course exercise book. You will know if the question is one that you need to answer in your exercise book because it will have a letter (A-Z) in the top right corner (like in the example below). Your exercise book will be used by the course facilitator to check that you are on track. Some organisations will ask you to use a computer (instead of a course exercise book) so that your answers can be emailed to the course facilitator.

The course facilitator will normally be a senior officer from your organisation (or a partner organisation) with experience as a Community Development Worker. The course facilitator IS NOT an assessor. Their role is to guide you and encourage you. They will use your answers to the key questions to check that you have completed the requirements for the coursebook, and to check if you are eligible to receive a course completion certificate.



You have to put what you have learned in this course into practice when you do your work. If you work for an organisation, then they should help you to put what you have learned into practice. The hard part is putting it into practice. At the end of each coursebook, there is a tool kit of information that may help you to put it into practice when you work with a community group. *Tasol yu yet.*

HOW EACH TOPIC IS SET OUT

There are five steps to *kamapim bisnis plen.* Each step is broken into *hap step.* The topic at the top of each page shows which *hap step* it is. For example, step 1 is broken into three *hap step. Hap step* 1.3 is the third *hap step* in step 1. *Luksave:*

At the start of each topic, there is also a list of the materials you will need for the topic. In the top left-hand corner, there is also an estimate of the time it should take to complete the topic. However, don't rush. Take whatever time you need. The purpose of this course is to learn how to do it – it doesn't really matter how long you take to do it. *Luksave:*

3 hours

Materials Exercise book. Pen or pencil. Coursebook 1. Post-it-notes (or small cards).

Next is the information you need to learn. You will notice that there are numbers on the left-hand side. These are the steps. Each topic is broken into steps. Step 1, step 2, step 3 *igo igo.* A step groups together information that is about the same sub-topic. In between each step, there is a footprint to show that one step has finished, and the next step is beginning.

The information within each step is also broken down into smaller steps. *Hap step.* In between each *hap step,* there is a discussion or activity or written answer where you and your colleagues will need to do something with the information you have just learned (or discuss something that you are about to learn).

You will also notice that sometimes there is a box (like this one) with extra information for you and your colleagues

How to develop a business plan is broken into five steps *na ol hap step.* Each topic is also broken into steps *na ol hap step. Noken paul. Wankain tingting.*

Luksave:

leaves and flowers *na ol kain samting olsem.*

If you are going to be facilitating an agreement between your organisations and a community group, then the materials you will need for your activities might be copies of the agreement document, butcher paper, markers, and pens.

1

Activity
Imagine you are going to be running awareness with youth on the dangers of alcohol abuse. With your colleagues, come up with examples of the sort of materials you might use for your activities.

2

To meet the Standard, this *wok mak* says that materials for the activities need to be 'suitable'. Suitable materials:

❶ Are easy for people to understand or use. **They suit the participants**.

❷ Help you achieve the outcome you want to achieve. **They suit the work plan**.

2

Discussion
Materials for the activities should be easy for people to understand or use.

When you come to the end of the information in a topic, there is a final revision discussion to help you and your colleagues go back over (review) what you have learned in the topic.

At the end of each coursebook, there is an evaluation activity. The evaluation questions are key questions (so you will need to write your answers in your exercise books). And at the end of each of the five steps to *kamapim bisnis plen* there is a 'putting it into practice' activity. If you can, have a go at putting it into practice. If you do this, then *olgeta samting bai kam klia*.

Make sure you and your colleagues have a good place to meet together to go through the coursebook. Quiet. Comfortable. Relaxing. *Sindaun wantaim wanpela naispela kap ti na mekim*. When you are meeting together, if everyone gets tired then go outside for a walk or take a break. At the start of each meeting with your colleagues to go through the coursebook, it is a good idea to do a revision exercise first to go over what you learned last time. *Kirapim bek tingting*. Start the revision by taking 30 minutes to go back over what you have covered so far in the coursebook. The purpose of doing this is to come up with two or three good questions about what you have done so far that you can ask your colleagues in the 'revision ball' exercise (below).

'Revision ball'. Get a ball (or just crumple up a piece of paper). Stand in a rough circle. The person holding the ball begins. Ask one question about anything from the coursebook so far, and then throw the ball to one of your colleagues to answer the question. After they answer the question, they need to ask their own question and then throw the ball to someone else. Keep doing this until everyone has had a few turns (or until no one can think of any more questions). If someone can't answer a question, then no worries. Anyone else can help them. This is not a test. This is revision. *Kirapim bek tingting*.

HOW LONG SHOULD IT TAKE TO COMPLETE THE COURSEBOOKS?

There are three *kamapim bisnis plen* coursebooks. How long it takes to complete each coursebook depends on how often you can meet with your colleagues to go through it – and how often you can meet with your course facilitator. Completing one coursebook every month or every quarter is a good goal. But you can go through them quicker or slower depending on your workplace requirements. *Yupela yet*. This is flexible learning. Go faster when you have the opportunity and go slower when you have other commitments that make it hard. Good luck. *Stap wantaim yupela*.

You can also use these coursebooks as training handbooks. The course facilitator can be with you full-time to 'train' you how to do it. The trainer explains the information in each step, and then you and your colleagues complete the discussion or activity or written answer in between each *hap step*. If you run these courses as full-time training, it takes about 5 days to complete each coursebook, starting at 8.30 in the morning and finishing at about 4 pm. If you run these courses as training, then don't have more than 20 participants, and it is much better to have two trainers (co-trainers) so they can take turns to teach each step.

Tok igo pas | What is this coursebook about?

3 hours

Materials Exercise book. Pen or pencil. Coursebook 3.

It is a good idea if you can go through this coursebook with one or more colleagues *together.* If you don't have colleagues to sit down with you, then don't worry. You can go through this course on your own. If this is the case, then when the coursebook says to do something with your colleagues, just do it yourself.

You will need an exercise book to use for making notes and writing your answers. Use a new exercise book for each coursebook. On the cover write the name of this coursebook and your own name. On the first page write the coursebook objective. For coursebook 3 of *kamapim bisnis plen* (this coursebook) the objective is 'Understand how to help a group COMPLETE the business plan and CONFIRM the business plan'.

On the next page write the first topic at the top of the page (this topic). Then start going through the coursebook. Feel free to write notes and comments. If there is a question that you need to answer, you will see the letter (A-Z) in a black box on the right. You need to write down the letter and then write down your answer.

It is a good idea to use the last page in your exercise book to write down words that you are unclear about, or questions that you have. Your course facilitator will arrange to have semi-regular meetings with you and your colleagues to go through what you have covered since the last meeting, and to go through the answers in your exercise book. This is a good time to ask them to explain any words that you are unclear about, or questions that you have. But feel free to contact your course facilitator any time you need to.

1

Community Development Workers are people who work with communities and groups and families to help them develop.

Community Development Workers might be people from *inside* the community. For example, Ward representatives, Ward committee members, grade-12 leavers, youth leaders, Pastors, community volunteers, community educators, women leaders, village liaison officers, and community rangers.

Community Development Workers might be people from *outside* the community. For example, agriculture extension officers, District officers, Community Government officers, business development officers, NGO field workers, community affairs officers, or company extension officers.

Often Community Development Workers will also have other expert skills. For example, an agriculture extension officer might be an expert on farming systems (a *didiman)* and also someone who works with communities and groups and families to help them develop (a Community Development Worker).

1

Discussion
With your colleagues, discuss whether you think of yourselves as Community Development Workers? Are you Community Development Workers from *inside* the community, or Community Development Workers from *outside* the community, or do you help community and groups and families *inside* and *outside?*

1

You are going through this coursebook because you want to know how to help a group to develop a business plan. Fit. *Luk olsem* you are a Community Development Worker.

You might be a Community Development Worker *inside* your community. Someone who is helping your own group and other local groups to develop a business plan.

You might a Community Development Worker from *outside* the community.

If you are from *outside* the community, then when you work with the group to help them develop a business plan, it is a good idea to work closely with leaders and key people who have the skills to become Community Development Workers *inside* their community.

The role of a Community Development Worker, whether from *outside* or *inside* the community, is to leave behind the skills and knowledge so that people can do it for themselves. Definitely.

1

Discussion
When you help a group to develop a business plan, it is a good idea to work closely with leaders and key people who have the skills to become Community Development Workers *inside* their community. Why is this a good idea?

1

There are lots of business plans that are done by outside consultants. *Planti ol grup long ples ol save troimwe bikpela koins long baim wanpela kaksman o kaksmeri long kam wokim bisnis plen bilong ol.*

But these sorts of business plans always fail. These sorts of business plans are always full of expensive English. No one in the group knows what is in the business plan.

Your job as a Community Development Worker is to explain what to do. Show them how to do it. Do it with them. But never ever do it for them. If you do it for them, then when you leave, they are back at square one.

Even worse, if you do if for them, they will feel less able to do things for themselves. *Yu bai kilim i dai bel bilong ol*. A big problem in PNG is the gap opening up between the more educated people who know what to do (and like to show it) and the majority of people who don't. Your job as a Community Development Worker is to help close this gap.

And if you do if for them, then if the business plan doesn't work out *ol bai kam bek long yu. Em bai olsem. Yu save. Lukautim nem bilong yu!*

And if the group wants to get outside support for their business plan, then they can tell if the group has written it or not. Outside organisations (like banks or NGOs or companies or the Government) also know that business plans written by consultants always fail. Organisations that help businesses are more likely to give their support if the business is written by people in the group. Even if it is full of mistakes. *Ol tu ol les long troim we koins nating.*

Explain what to do. Show them how to do it. Do it with them. But NEVER EVER DO IT FOR THEM.

2

There are five steps a group needs to take to develop a business plan:

STEP 1 RESEARCH THE BUSINESS IDEAS

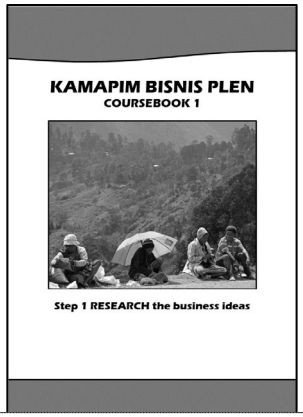
STEP 2 ANALYSE THE BEST BUSINESS IDEAS

STEP 3 DECIDE ON THE BEST BUSINESS IDEA

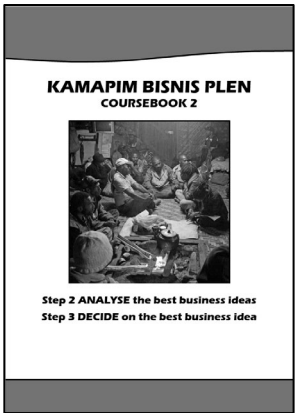
STEP 4 COMPLETE THE BUSINESS PLAN

STEP 5 CONFIRM THE BUSINESS PLAN

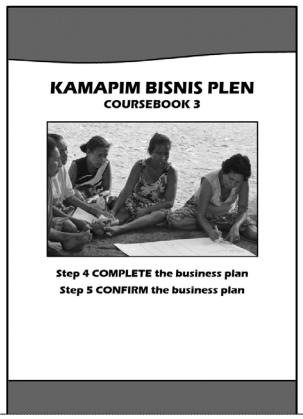
And there are three coursebooks to show a Community Development Worker how to help a group to do it:



The first coursebook shows you how to help the managers and leaders of a group to do **step 1 RESEARCH the business ideas**. Market research. *Wok painimaut*. The coursebook will also show you how to help the managers and leaders to use their market research to choose the best business ideas.



The second coursebook shows you how to help the managers and leaders of a group to do **step 2 ANALYSE the best business ideas**. *Glasim.* Business analysis. The coursebook will also show you how to help the group to do **step 3 DECIDE on the best business idea**. In step 3 all of the members of the group need to come together to make the decision.



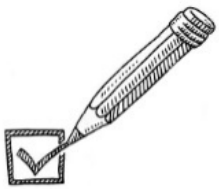
The third coursebook (this coursebook) shows you how to help the managers and leaders of a group to do **step 4 COMPLETE the business plan**. The coursebook will also show you how to help the group to do **step 5 CONFIRM the business plan**. In step 5 all of the members of the group need to come together to understand what is in the business plan, give their thoughts, and give the go-ahead.

2

Written answer **A**

In your exercise book, write down the five steps a group needs to take to develop a business plan. Then, write down what steps we are going to look at in this coursebook (coursebook 3).

2



In coursebook 1 and coursebook 2 you learned how to do the first three steps of *kamapim bisnis plen.* You should already know how to help a group to research their business ideas (market research), how to help a group to analyse their business ideas (business analysis), and how to help the group decide which business idea is best.

This coursebook (coursebook 3) shows a Community Development Worker how to help a group to do **step 4 COMPLETE the business plan**, and how to help the group to do **step 5 CONFIRM the business plan**. In the final step (step 5) all of the members of the group need to come together to understand what is in the business plan, give their thoughts, and give the go-ahead.

Let's begin. *Taim long statim wokabaut.*

Revision discussion

What will coursebook 3 show you how to do?

STEP 4 COMPLETE the business plan

4.1 ***Wokim bisnis plen***

4.2 ***Singautim ol manmeri memba long kam bung***

Step 4.1 | *Wokim bisnis plen*

8 hours

Materials Exercise book. Pen or pencil. Coursebook 3.

There are five steps a group needs to take to develop a business plan:

STEP 1 RESEARCH THE BUSINESS IDEAS

STEP 2 ANALYSE THE BEST BUSINESS IDEAS

STEP 3 DECIDE ON THE BEST BUSINESS IDEA

STEP 4 COMPLETE THE BUSINESS PLAN

STEP 5 CONFIRM THE BUSINESS PLAN

1 You have already helped the managers and leaders to do the first three steps of *kamapim bisnis plen*. By now, the group should have decided on the best business idea. *Luk olsem*. The next thing to do is help the managers and leaders to turn the best business idea into a business plan. Step 4 COMPLETE the business plan.

Step 4 igat tupela hap step long mekim.

STEP 4 COMPLETE THE BUSINESS PLAN

4.1 WOKIM BISNIS PLEN

4.2 SINGAUTIM OL MANMERI MEMBA LONG KAM BUNG

1

Discussion

Discuss with your colleagues, who should *go pas* to complete the business plan?

1 *Luk olsem* the managers and leaders *bai go pas* to complete the business plan.

There may be other people in the group or the community who have expert knowledge about business (or about what the business idea is about). *Kaksmanmeri*. They can help with the business plan.

The Community Development Worker also needs to help them and show them what to do. Definitely. But don't do the business plan for them. If you do it for them, then it becomes your business plan. *Ol menesa na lida na olgeta manmeri memba bai kamap olsem ai pas. Ol bai tok olsem ino moa samting bilong miplea.* And if something goes wrong *ol bai kam bek long yu. Em bai olsem. Yu save. Lukautim nem bilong yu!*

Never ever do the business plan for them

2

Discussion
Discuss with your colleagues, why does a bank need you to give them a business plan first before they can consider giving you a loan?

2

Banks need to *skelim gut tru pastaim* whether they think your business plan will work out. They use your business plan to help them do this.

If a Bank gave a group money for a loan without checking first if the idea would work out then *planti lain bai toktok. Ol narapela benk. Gavman tu. Loia tu.*

This is because Banks put into practice the principle of accountability.

2

Discussion
What are the six principles that the Government wants every organisation in PNG to put into their *kastom - olgeta femili na grup long ples na bisnis igo antap long Gavman*. We looked at this in coursebook 1. *Nogut yupela tingim yet?*

2

The six principles that the PNG Government wants every organisation to put into their *kastom* are:

PARTICIPATION	*Pasin bilong wokim disisen wantaim na wokbung wantaim*
EQUALITY	*Pasin bilong lukim yu wankain olsem narapela*
ACCOUNTABILITY	*Pasin bilong mekim wok bihainim mak na skelim wok bihainim mak*
TRANSPARENCY	*Pasin bilong mekim na putim olgeta samting long ples klia*
RESPONSIVENESS	*Pasin bilong bekim tingting na askim na senis wantaim eksen*
LEGITIMACY	*Pasin bilong makim lida na menesa bihainim lo na ron wantaim lida na menesa bihainim lo*

We already looked at the principle of participation and the principle of equality in coursebook 1. *Tingim.*

Another principle that the Government wants every organisation in PNG to put into their *kastom* is the principle of accountability. An organisation (like a bank or a *grup long ples* or a business) has accountability in its *kastom* if everyone is ready and willing to be measured against what they are supposed to be doing – and to learn lessons or face consequences *sapos wok ino painim mak*.

Pasin bilong mekim wok bihainim mak na skelim wok bihainim mak

Bikpela tok. You can't have the principle of accountability in your *kastom* unless you know what work you are supposed to be doing (and unless everyone else knows what work you are supposed to be doing), and unless you are measured against what you are supposed to be doing. *Ino kot nogat bilong halavim na strongim wok tasol*. *Wok mak*.

Wok mak

Save moa yet

Think about an elected politician - the Member for South Fly *o kain olsem*. They are the leaders of the Government organisation. When they stand for election they make promises about what they will do if they are elected. They have policies. If they win the election they also need to follow the Government's Code of Conduct for leaders.

Em nau. This is what an elected politican should be measured against - whether they are doing what they said they would do if elected - their policies - and whether they are following the Government's Code of Conduct for leaders.

Elected politicians must face the consequences *sapos wok ino painim mak*. If they break the Government's Code of Conduct for leaders, then the Government must take action on behalf of the voters *na kotim ol*. If they don't try and do what they said they would do if elected - their policies - then the voters should take action in the next election and vote them out. Accountability. *Mekim na skelim wok bihainim mak*.

2

Discussion

The Government wants every organisation in PNG to put the principle of accountability into their *kastom*. If a *grup long ples* wants to put the principle of accountability into their *kastom,* what is the first thing they need to do? Discuss this with your colleagues.

Luk olsem the first thing a *grup long ples* needs to do to put the principle of accountability into their *kastom* (after they explain what the principle of accountability means to everyone) is decide what the *wok mak* are for the managers and leaders (and the rest of the members). After everyone knows what their *wok mak* are, everyone then needs to know how to perform their *wok mak.* Training *o kain olsem.* There are more things that a *grup long ples* needs to do to put the principle of accountability into their *kastom*, but if they start-off by identifying the *wok mak* and making sure everyone knows how to perform their *wok mak*, then this is a great start.

2

Every bank in PNG has *wok mak* that are set by the banks *olgeta yet,* and by the Government (on behalf of PNG). Banks are measured against these *wok mak*. Measuring someone against their *wok mak* is called 'holding them to account' – they need to be able to account for (explain) how well they performed the *wok mak*.

Wanpela bikpela wok mak bilong ol is that banks can only give loans if they think the business plan (and the organisation that needs the loan) will work out.

Banks can only give loans if they think the business plan (and the organisation that needs the loan) will work out

The owners of the bank hold *wokmanmeri bilong ol* to account to make sure they only give loans if they think the business plan (and the organisation that needs the loan) will work out. They don't want their bank to get a bad name.

Other banks in PNG hold *wanwan* bank to account to make sure they only give loans if they think the business plan (and the organisation that needs the loan) will work out. They don't want banks in PNG to get a band name.

The Government holds all the banks in PNG to account to make sure they only give loans if they think the business plan (and the organisation that needs the loan) will work out. They don't want people in PNG to get loans if they don't work out because it makes the problem worse – much worse.

The people that put their savings into the bank hold the bank to account. It is their money that the bank uses when they give out a loan. If the loan is successful, the bank makes a small profit, and the bank then gives some of this profit to the people who put their savings into the bank (this is called 'interest'). If the bank doesn't make a profit, then people will put their savings in another bank instead. The fear of losing customers holds the bank to account.

Ol benk wokmanmeri yet hold themselves to account. They want to do a good job. They want to help develop PNG. Definitely.

Time to start step 4.

4.1 WOKIM BISNIS PLEN

3

Get a nice cup of tea. Get some *mau banana. Pinat tu.* Put on some sweet music. Preparing the business plan will take time – but the good news is that almost all of the information comes from the market research and business analysis that you did in step 1 and step 2. *Bikpela hap wok em pinis.*

3

Activity

At the end of the coursebook, there is a business plan form. You can submit this same business plan form to any bank or District or an NGO. This business plan form is also a business plan that the group can use themselves even

if they don't need outside help (although some of the sections won't be necessary). With your colleagues, have a look at the business plan form. Don't spend too long – we are going to go through the whole thing step by step. *Olsem na lukluk tasol.*

Notice how there are also instructions on the side of this business plan form (don't read them yet *stap isi pastaim)*. These instructions on the side are so that someone can fill out the business plan form even if they have not been through the three *kamapim bisnis plen* coursebooks. But it is much better if a group is helped to complete the business plan form by someone who has been through the three *kamapim bisnis plen* coursebooks.

If someone has been through the three coursebooks then they will be experts at helping a group to complete this business plan form. *Kaksi. Tok strong olsem.*

When you have had a flick through the business plan form, then go back and read the instructions at the start of the form. Then answer the questions that follow.

This business plan form is for starting a new business. Complete this business plan form in pencil, then do the final version using black or blue pen. This form can be submitted to any finance organisation. This form can also be used to plan your new business even if you do not need outside help (if this is the case you don't need to complete sections T and U). There is training available to help you complete this form (ask the finance organisation you plan to give the form to for more information). No finance organisation expects you to have all the answers. What they expect is that you be honest and open with them. *Tok stret na tok klia em tu em samting bilong skelim.* If you need more space to answer any of the sections below then write "see attachment" and include it as an attachment (and say clearly which section the attachment is for). The more information you provide about your business idea the better, so feel free to include any other attachments.	

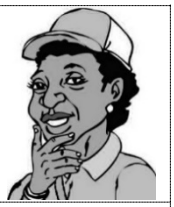
1. Why do you think the instructions say to use pencil first, then do the final version using black or blue pen?
2. Why is it important to *tok stret na tok klia* when you fill out the business plan form?

Luk olsem it is important to use pencil first because there will be lots of chopping and changing. It is easy to make changes if you use pencil. But when you have finished, do the final version using black or blue pen *nogut mak bilong pensil wok long aut.*

When you fill out the business plan form *tok stret na tok klia.* The people who will read the business plan (if you need a loan) will know if you are telling the truth or not. *Tok stret na tok klia em tu em samting bilong skelim.*

4

SECTION A. DETAILS OF PROPOSED BUSINESS



The first section of the business plan form is section A. This is where you need to say clearly what the name of the business is, the business idea, the contact details. Location. Short and sweet.

4

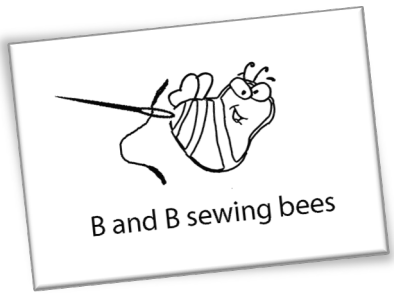
Activity

Below is section A from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section A. Then answer the question that follows.

A. DETAILS OF PROPOSED BUSINESS	
What is your business idea? *A business making meri blaus for women and girls.*	What is the business organisation? Is it a family business or a farmer group or a women's group *o kain olsem*. If the business organisation has a name then also include it (for example, *Mun Kopi Asosieson).* The finance organisation that you want to get money from will definitely contact you to find out more about your business plan. This is why you need to include the best postal address and mobile number for them to contact you on. If your business has an email or social networking address then also include it.
If the business has a name what is it? *B and B sewing bees*	
What is the business organisation? *Family business*	
Where will the business be located? *Mako village, Ward 23, Dapto District, Morobe Province*	
What will be the business postal address: *P.O. Box 2234 Goroka, Eastern Highlands Province*	
What will be the business contact details (mobile, email, etc.): *7379999 (Betty). 7398787 (Benny).* *BandBsewingbees@gmail.com* *http://www.facebook.com/BandBsewingbees*	

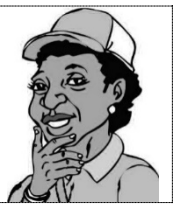
1. Betty and Benny called their business 'B and B sewing bees'. Do you think this is a good business name?

> *Luk olsem* it is a good business name. We looked at this in coursebook 1. You should try and make the name of your business easy to remember. *Em mas pas gut long tingting bilong ol.* And the name of your business should relate to what you are selling (it would be a shame if the customer remembered the name of your business, but they couldn't remember what you were selling). Trukai Rice is a good example. Easy to remember and the name of the business makes you think of rice. Nice.



5

SECTION B. PRINCIPALS



The second section of the business plan form is section B. This is where you need to say clearly who the *'go pas'* people are in the business, their experience and qualifications, and their contact details.

5

Activity

Below is section B from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section B. Then answer the question that follows.

B. PRINCIPALS

Name: Betty Benny	**Age:** 28	**Male or female:** Female
Position: Production Manager		**Mobile:** 7379999
Highest level education: Grade 10 Bena High School		
Relevant training: One-week sewing course (the Salvation Army). Good governance short training (Lutheran Development Service)		
Relevant experience: 15 years sewing experience. Chair of the Mako Elementary School. Experience selling at local market.		

Name: Benny Waisi	**Age:** 32	**Male or female:** Male
Position: Sales Manager		**Mobile:** 7398787
Highest level education: Grade 10 Goroka High School		
Relevant training: Good governance short training (Lutheran Development Service). Basic mechanics course.		
Relevant experience: 3 years running a PMV business. Treasurer Ward 44 Community School. Good at repairing machinery and small engines.		

Principal means *'go pas'*. Who are the *go pas* people in your business? They might *go pas* because of their experience running a business, or their experience making your product, or their experience as a manager. If you are not sure who the Principals are then just select the two most experienced members of your business organisation.

You can have more than two Principals. If you have more than two Principals then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section B).

1. Why would a bank want to know who the principals of your business are?

If you are trying to get a loan, the bank needs to know who the principles of your business are so they have confidence that there are people in your business who have the skills and knowledge to run the business. *Benk tu ol les long troimwe koins nating.* Some banks give the principals of a business that gets a loan more training so that they get the skills and knowledge that they will need to run the business. *Nais.*

6

SECTION C. OUR CUSTOMERS

The next section of the business plan form is section C. This is where you explain what your product is and who your customers will be. This information comes from the business analysis (part 1 PRODUCT PROFILE), and from your market research (topic 1 OUR PRODUCT and topic 2 OUR CUSTOMERS).

6

Activity
Below is section C from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section C. Then answer the questions that follow.

C. OUR CUSTOMERS	
(1) *Meri blaus* for women. The main customer groups for this product are: • Women buying for themselves. Women will find out about this product because they will see *meri blaus* for sale at the local market and at the town market. They will also find out by word-of-mouth. • Husbands buying for their wives. Husbands will find out about this product through their wives. (2) *Meri blaus* for girls. The main customer groups for this product are: • Parents buying for their daughters. Parents will find out about this product through the wives.	(1) List the product or products you plan to sell. Products are either goods or services. Goods are things you can hold – like scones or meat birds or *buai*. A service is work that you (or something you own) performs for someone – like car repairs or generator hire or security or PMV. List each of the product or products that you plan to sell. (2) For each product, explain who you think the customer groups will be for the product? For example, men buying for themselves or women buying for their family or young people or 'middlemen' or schools or buyers from factories or *taun lain?* These customer groups should be the same ones that you include in your product profile (section K). (3) For each product, explain how the customer groups will find out about the product (how will you advertise)?

1. Why do you think the bank wants to know how the customer groups will find out about your product (how will you advertise)?
2. What are some different ways to advertise a product?

> *Luk olsem* the bank wants to know how you will advertise because it will help them *skelim* whether the customer groups will find out about your product. And it shows them how much you have thought about the business idea.
>
> Examples of ways to advertise a product include word of mouth *(slukim tok igo)*, poster or notices, a *tok save* or public announcement, on radio or television or the internet, through newspapers or magazines. *Kain kain.*

7

SECTION D. OUR COMPETITION

The next section of the business plan form is section D. This is where you explain who your competition will be. This information comes from your market research (topic 3 OUR COMPETITION).

7

Activity
Below is section D from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section D. Then answer the question that follows.

D. OUR COMPETITION (1) *Meri blaus* for women. At the local market there is only <u>one</u> competitor. A local lady also makes *meri blaus*. At the town market there are <u>five or more</u> competitors. There are also many shops in town that also sell *meri blaus*. (2) *Meri blaus* for girls. At the local market there are no competitors (<u>none</u>). At the town market there are two competitors also selling *meri blaus* for girls. There are <u>three</u> shops in town that also sell *meri blaus* for girls.	(1) List the product or products that you plan to sell. (2) For each product, how many competitors will you have? Write 'none' or 'one' or 'two' or 'three' or 'four' or 'five or more'? (3) For each product, explain who your main competitors will be?

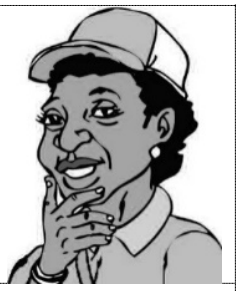
1. Competition is not all bad news. What are some advantages of having competition?

We looked at this in coursebook 1. *Tingim.*

☺	You can learn from your competitors. If there are no other businesses selling what you want to sell then you have to be a pioneer. You have to *brukim bus*. There is a lot of opportunities if you *brukim bus* – but you take all the risks.
☺	If there is already competition it probably means you have a good business idea. If there are no competitors, then there is a good chance that it is a bad idea. *Tingim.*
☺	Competition makes us stronger. If it is easy to make money from a business because there is no competition, then you get lazy – and when competition starts (and it will start if there is lots of money to be made) then *ol bai winim yupela wansait stret*. Competition makes us stronger.
☺	Your competitors have already created the customers for you. The ground is cleared. All you need to do is work harder and work smarter so you can get the customers to switch their loyalty to your business.

8

SECTION E. OUR SUPPORT



The next section of the business plan form is section E. This is where you explain what support you have from your organisation and your community. This information comes from your market research (topic 6 OUR SUPPORT). You also need to explain how women and youth will also benefit from the business idea.

8

Discussion

What is the principle of participation? Discuss this with your colleagues. You learned this in coursebook 1. *Kirapim bek tingting.*

8

One reason that many businesses fail is because only the managers and leaders know what is happening. *Ol menesa na lida pulim ol manmeri memba raun olsem ai pas.*

The managers and leaders will take the lead. Nice. But if everyone else in the group *stap olsem ai pas* then the business will fail. *Nogat gutpela trast namel long ol.* Unless everyone in the group has their eyes open and walks together, the group (and the business) will *pundaun*. Definitely.

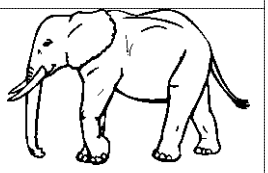
This is why the Government wants every organisation in PNG to put the principle of participation into their *kastom – ol liklik grup long ples na femili na bisnis igo antap long gavman.* The principle of participation is *pasin bilong wokim disisen wantaim na wokbung wantaim.*

Pasin bilong wokim disisen wantaim na wokbung wantaim

8

Discussion

In coursebook 1 we looked at a story about blind men touching an elephant. With your colleagues, discuss what the message of the story was? *Kirapim bek tingting.*



Luk olsem no one knows the full story because we see everything from our own point of view. Each of the blind men in the story had their own idea of what an elephant was because they only touched their part - but they only found out what an elephant really looks like when they all came together and shared what they knew. The full story.

8

Another big reason why it is good to encourage participation is because if everyone is involved you get the full story. Managers and leaders know a lot. But they don't know everything. Good managers and good leaders know that they don't know everything.

If everyone in a community or group or family gets to participate, the more likely it is that you will have the full story. There are no blind spots. If you have the full story, the more likely it is that any decisions and any planning you do together will work out.

8

Discussion

What does the principle of equality mean? Discuss this with your colleagues. You learned this in coursebook 1. *Kirapim bek tingting.*

8

To put into practice the principle of equality, it means you need to make sure everyone has the same choices and opportunities. *Pasin bilong lukim yu wankain olsem narapela.* The Government wants every organisation in PNG – *olgeta femili na grup long ples na bisnis igo antap long Gavman* – to put into practice the principle of equality.

Pasin bilong lukim yu wankain olsem narapela

But don't forget that some groups of people need more help than others (not the same) to be treated fairly. *Oli kaikai wankain kaikai bai oli no inap.* In *tok inglis* we say there is **equity** if people (who are stepping backwards) have enough of what they need to catch up. And don't forget that people who need more help than others (not the same) need to be included whenever decisions are made (because they know best what help they need). This is called **inclusion**. "Nothing for us without us".

This means that to put into practice the principle of equality, your organisation also needs to put into practice equity and inclusion. *Pasin bilong halavim na sindaun wantaim ol lain we yumi save abrusim long inapim ol wankain olsem narapela.*

8

Discussion
Why does it matter if some people are being left behind? Discuss this with your colleagues. You learned this in coursebook 1. *Kirapim bek tingting.*

8

There are three big reasons why it matters if some people are being left behind:

1 It matters because it's not fair. *Tarangu. Wari. Tok bilong Jisas.* Have a heart. *Mi sori long ol.* Spiritual development. Everyone has the human right to have the same choices and options no matter who they are. *Em wan.*

2 *Na tu,* it matters because *bel hat na bagarap bilong ol lain we yumi yet save misimaut o abrus bai kam bek long yumi long fron. Em bai olsem.* People who are left behind can turn to crime and drugs. They can get disease and sickness which spreads. *Hangre tu save mekim.* They can become dependent on other people and the Government. *Yumi ol lain long fron bai yumi yet kisim bagarap.*

3 *Na tri,* it matters because we miss out on what they could contribute if they had the same choices and opportunities. We miss out on their point of view (remember the elephant) and we miss out on what they could do if they were able. There are great doctors and leaders and musicians and pastors amongst the people who are stepping back – but we are not helping them step forward.

In many parts of PNG there are two groups that *yumi olgeta mas givim bikpela luksave long en.* Women and youths. Unless we make sure that women and youth get what they need so they have the same choices and opportunities as everyone else (equity) and are included whenever decisions are made because they know best what help they need (inclusion), then they won't be able to catch-up. And if women and youth don't catch-up then PNG won't develop. *Tok stret na tok klia.*

The kumul needs two wings to fly
The next generation needs to learn how to fly

Activity

Below is section E from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section E. Then answer the questions that follow.

E. OUR SUPPORT	
Do the members of your business organisation support this idea? *This business is a family business. Our whole family support this idea.*	Your business organisation might be a family business or a women's group or a community or a church group or a landowner group or a farmer group. *Kain kain.* Do the members of your business organisation support this business idea? Do you have any evidence?
How will this business idea also benefit women and youth? *The benefits from this business will help Betty and we will use the profits also to help our son and two daughters. In our family we always plan together (husband and wife) how to use our money.*	The *kumul* needs two wings to fly. The next generation needs to learn how to fly. A priority for PNG is for women and youth to have more choices and opportunities. How will this business idea also benefit women and youth?

8

1. Why do you think the bank wants to know if all the members of the group support the business idea?
2. Why do you think the bank wants to know if women and youth will also benefit from the business idea?

Any financial organisation that gives loans knows that unless the members of the group (and the wider community) support a business idea, then it is less likely to work out. Banks know that business organisations that have the principle of participation in their *kastom* are more likely to be successful.

Any financial organisation that gives loans knows that unless women and youths also benefit from a business, then it may not be helping the family or the group or the community or PNG. Banks know that business organisations that have the principle of equality (and equity and inclusion) in their *kastom* are more likely to be successful.

SECTION F. OUR UPSTREAM SUPPLY CHAIN

9

The next section of the business plan form is section F. This is where you explain which people and other businesses are in your upstream supply chain. This information comes from the business analysis (part 4 FORECAST ANNUAL COSTS and part 5 SUPPLY CHAIN SCORE), and from your market research (topic 4 OUR SUPPLY CHAIN).

9

Activity

Below is section F from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section F. Then answer the question that follows.

F. OUR UPSTREAM SUPPLY CHAIN

1. Bintangor fabric store. We need laplap, thread, and bias binding. We don't know them, but they always seem to have what we need. There are a number of other stores in town that also sell laplap and thread and bias binding.
2. Uncle David's PMV. We need to use this PMV to get to town and bring our supplies. David's PMV is reliable, except in the wet season. There are three other PMVs from Mako village that also regularly go to town.
3. Town PMV. We need town PMV to get around town. There are plenty of town PMVs.
4. Jenny. We need Jenny because we can sleep at her house when we go to town. Jenny is Benny's sister, and she is reliable. We have some other wantoks that we can sleep with if necessary.
5. Jan's table market. Flex for calls and data. The reception is reliable. If Digicel did not work, then we can use Bmobile. In an emergency we can also use the sched radio at the clinic. We also get kerosene from Jan but there are plenty of other people selling it.
6. Cousin Debbie. We hire her on a casual basis to help cut fabric. She is family so is reliable, but she might be getting married. Can use Jan instead.
7. David's store. We need washing powder to wash meri blaus before selling. David is a friend. There are a number of local trade stores that sell washing powder.
8. John's stationery. We need blank stickers for prices, marker pen, plastic sale bags. They are a good store and always have what we need. There are two other stationery stores in town.

(1) List down all the people and other businesses you plan to use to supply the things you need (the goods and services) to PRODUCE your finished product. This is called your upstream supply chain. In your upstream supply chain just include the things you will use-up *(kaikai)* each year to produce your finished product. Don't include assets in your upstream supply chain (like a sewing machine or coffee pulper) as these are big things that you won't use up *(kaikai)* each year to produce your finished product.

(2) For each person or other business that you list down, explain what you need from them?

(3) For each person or other business that you list down, explain how reliable they are?

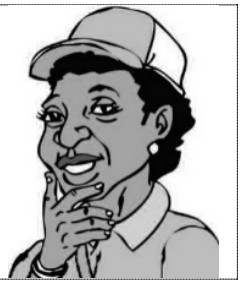
(4) For each person or other business that you list down, explain if there is an alternative person or business that could supply you with the same goods or services that you need.

1. Why is it better if there is an alternative person or business that can supply you with the same goods or services you need to produce your product?

Luk olsem if there is more than one person or business who can supply you with the goods or services you need then you have choice. You can try and get a better deal from one of them. If one of them lets you down, you can use the other person or business instead. If they want your business, they will have to try and win your business.

10

SECTION G. OUR DOWNSTREAM SUPPLY CHAIN



The next section of the business plan form is section G. This is where you explain which people and other businesses are in your downstream supply chain. This information comes from the business analysis (part 4 FORECAST ANNUAL COSTS and part 5 SUPPLY CHAIN SCORE), and from your market research (topic 4 OUR SUPPLY CHAIN).

Activity

Below is section G from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section G. Then answer the question that follows.

G. OUR DOWNSTREAM SUPPLY CHAIN

1. Uncle David's PMV. We need to use this PMV to take *meri blaus* to market. David's PMV is reliable, except in the wet season. There are three other PMVs from Mako village that also regularly go to town.
2. Jan's table market. Flex for calls and data. The reception is reliable. If Digicel did not work, then we can use Bmobile. In an emergency we can also use the sched radio at the clinic.
3. Jenny. We need Jenny because we can sleep at her house when we go to town. Jenny is Benny's sister, and she is reliable. We have some other *wantoks* that we can sleep with if necessary.
4. Town market. We need the town market to sell *meri blaus*. Jenny sells our *meri blaus* at her second-hand clothing store. Jenny always has her store there – and the market seems to work well. There are no other suitable markets in town.
5. Mako market. To sell our meri blaus. The local market (Mako market) runs every Tuesday. It runs well. There are three other markets in walking distance (Wara bung market and Kitpak market).
6. Wara bung market. To sell our meri blaus. The local market (Mako market) runs every Tuesday. It runs well. There are three other markets in walking distance (Mako market and Kitpak market).

(1) List down all the people and other businesses you plan to use to supply the things you need (the goods and services) to SELL your finished product to customers. This is called your downstream supply chain. These are the people and other businesses you need *after* you have produced your finished product (your upstream supply chain) to then SELL your finished product to customers. In your downstream supply chain just include the things you will use-up *(kaikai)* each year to sell your finished product to customers. Don't include assets in your downstream supply chain (like a drum oven or a car) as these are big things that you won't use up *(kaikai)* each year to sell your finished product to customers.

(2) For each person or other business that you list down, explain what you need from them?

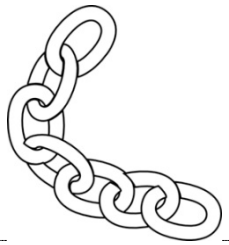
(3) For each person or other business that you list down, explain how reliable they are?

(4) For each person or other business that you list down, explain if there is an alternative person or business that could supply you the same goods or services you need.

10

1. If a person or business in your supply chain is unreliable, what can you do?

Luk olsem if a person or business in your supply chain is unreliable, you can use an alternative person or business (if there is one). Or you can try and improve your relationship with the person or business so that they become more reliable. We will look at ways to do this later *olsem na stap isi pastaim.*



SECTION H. OUR CAPACITY

11

The next section of the business plan form is section H. This is where you explain what skills and knowledge and *pasin* and resources you have that will help you. This information comes from your market research (topic 5 OUR CAPACITY).

11

Activity

Below is section H from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section H. Then answer the question that follows.

H. OUR CAPACITY

What skills and knowledge and *pasin* do you already have that will help you?

1. Management skills. Benny is treasurer of Ward 44 Community School. See the letter of support from the Head Teacher from Ward 44 Community School. Betty is Chair of Mako Elementary school. Benny has had 3 years experience running a PMV business.
2. Marketing skills. Benny had some experience with marketing for his PMV business.
3. Good governance skills. We have both done a good governance short course. We have a good idea about the importance of being honest and transparent.
4. Financial management skills. Benny is treasurer of Ward 44 Community School. Benny has had 3 years experience running a PMV business.
5. Sewing skills. Betty has excellent sewing skills. We have what we need.
6. Maintenance. Benny is good at maintaining small engines (like generator) and can also maintain sewing machines.
7. Honesty. We have a reputation for being honest people. Please find attached a letter of support from the Pastor of Mako Church which says that we are honest and good people.
8. Hard work. We are very hard working people. Please find attached a letter of support from the Pastor of Mako Church which says we are hard working.

List the skills and knowledge that you already have that will help your business succeed. Skills and knowledge might include things like management skills or negotiation skills or production skills or money management skills or governance skills or leadership skills *o kain olsem*. If you have any evidence that you have the skill or knowledge then include it as an attachment (for example, training certificate or letter of support).

Also list the *pasin* that you already have that will help your business succeed. *Pasin* might include things like transparency or honesty or *wok bung o kain olsem*. If you have any evidence that you have this *pasin* then include it as an attachment (for example, training certificate or letter of support).

Don't forget, if you need more space then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section G).

What more skills and knowledge and *pasin* will you need – and how will you get it?

1. We need more save long sait bilong menesmen. We will ask the Head Teacher to help us to get more save.
2. We need more save long sait bilong menesmen. We will ask Jenny to give us help with marketing.
3. Negotiation skills. We hope that we might be able to get a contract from a store in town. We need negotiation skills. We are not sure how to get negotiation skills.
4. We need more *save* so we can manage our finances better. We will find out from the District if there is training available.

List down any more skills and knowledge and *pasin* that you think you will need to make your business successful. Skills and knowledge and *pasin* you don't have – or that you need more of. If you have a plan for how to get the skill or knowledge or *pasin* then say what it is.

	What assets and other resources do you already have that will help you? 1. The road to town is in good condition, except in the wet season when sometimes there are landslides. 2. We have a big extended family *no haus lain stap.* 3. We have good law and order in Mako 4. There is a person in Mako who know how to repair sewing machines 5. We have a workroom already to use for production, with chairs (no table) 6. We have good mobile service.	List down the resources that you already have that will help your business succeed. Resources are the big things you use or depend on year after year. Resources include: • Assets (machinery, office, vehicle, generator, lanterns, computer, coffee pulper, sewing machine, chicken feeders, chairs, phone) • Human resources (a big family, local experts, *haus lain)* • Natural resources (water and land and *kunai* and timber and *wait san)* • Services (road, footbridge, mobile reception, banks, law and justice committee, power supply, schools). If you pay for the service each time you produce your product or take it to market and sell it, then be sure to include it in your supply chain.

1. How will it help the group to include how they plan to get the skills or knowledge or *pasin* that they need?

> *Luk olsem* it will help them to get a loan (if they need it). The bank wants to know if you will be able to get the skills and knowledge and *pasin* that you need because it will help them *skelim* whether the business plan will work out. And it shows them how much you have thought about the business idea. It also helps the group even if they don't need a loan, because it means that they have an idea of what they can do to build their capacity.

12

Discussion
In coursebook 1 we looked at examples of risks that businesses in PNG often face. *Tingim.* With your colleagues, discuss some of the risks that businesses in PNG often face? *Kirapim bek tingting.*

12

SECTION I. OUR RISKS

The next section of the business plan form is section I. This is where you explain what the risks are for your business and how you will manage them. This information comes from your market research (topic 7 OUR RISKS). There are two risks in particular that you need to talk about – social obligations and lack of transparency.

12

Discussion
In any business, you will face pressure from family and friends for contributions and loans. This pressure is called social obligations. *Tingim.* With your colleagues, discuss ways for a business to manage social obligations?

12 In any business, you will face pressure from family and friends for contributions and loans. This pressure is called social obligations. It is important that you try and meet your social obligations. *Yu givim beksait long ol bisnis bai bagarap yu save.*

But if you want your business to grow like a strong and healthy fruit tree – if you want fruit – if you and your family want to continue to *kaikai long en* – you have to control your social obligations.

You could include an amount for contributions as a running cost (an operation cost). *Siasim* so that you can still *strongim bek* your business and have enough leftover for savings and fruit. Then when the money that you have budgeted is finished that's it. Tell your friends and family that *sapos yu givim yet bisnis bai dai nogat kaikai long en.*

You could include an amount for your friends and family to borrow (an operation cost). *Dinau. Siasim* so that you can still *strongim bek* your business and have enough leftover for savings and fruit. Then when that money that you have budgeted is finished that's it. Tell your friends and family that there is no more until someone pays back the loan. *Mekim olsem nogat koins long givim ino asua bilong yu em i asua bilong husat ino bekim yet dinau bilong en.*

Look for work within the business that needs to be done, then ask people who are requesting a contribution (or to use your assets) to do the work that needs to be done first. For example, if youths want money for a set of jerseys for their rugby team, then give them the work of building a toilet at your workshop. The money you budgeted for building the toilet can instead be spent on jerseys.

Ask people who request a contribution (or to use your assets) to contribute to you *kaikai* or something else that is equivalent to what they request.

Tell people who want to borrow to go and ask the bank first. Offer to act as a guarantor for them (someone who guarantees the bank that the person will pay back the loan). If you do this, you can direct people to go to the bank first instead of you. But be very careful. Only do this if you are sure the person can pay back the loan, or if they have given you an up-front deposit, or if you have a written agreement with them to recover your costs if you do end up having to pay back the loan for them (as the guarantor).

If you get 'credits' from businesses that you purchase from – for example, discounts or free goods or vouchers – then these can be passed on to people who are requesting contributions.

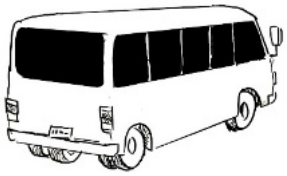
Say NO. Explain how a business needs to grow like a strong and healthy fruit tree. Explain how everyone loses if the business dies.

12

Discussion

What is the principle of transparency? *Nogut yupela klia pinis.*

Another risk for any business is lack of transparency. Transparency means *klia glas.* The sunshine gets in. There are no secrets. Lack of transparency means *dak glas. Dak glas* causes suspicion and jealousy. All problems grow in darkness.



Transparency is another principle that the Government wants every organisation in PNG to put into the *kastom - olgeta femili na grup long ples na bisnis igo antap long Gavman.*

Pasin bilong mekim na putim olgeta samting long ples klia

12

Klia glas in a business is like pruning and weeding your cocoa or coffee to let the sunshine in. If you prune and weed your cocoa or coffee the sunshine gets in. *San save klinim. Binatang nogut save dai.* If you don't prune and weed now you might get more fruit next season – more fruit than if you did the hard work of pruning and weeding. This is true. But it will be worse for you in the long run. If you don't prune and weed *ino long taim kakau o kopi bai bagarap.*

Pruning and weeding takes more work - and it takes courage to cut back the branches. Transparency *em olsem.* It takes more work to do everything out in the open - and it takes courage to let everyone see what you are doing.

But letting the sunshine in pays off in the long run. Problems grow in darkness.

12

Discussion
With your colleagues, discuss what things would show that a business organisation has *klia glas* in their *kastom?*

12

If a business organisation has *klia glas* in their *kastom* it means the managers keep records. Records of decisions and finances. Reports. Correspondence.

If a business organisation has *klia glas* in their *kastom* it means the managers make records available to everyone. The members. The bank or financial institution. The Government. Community leaders. Let the sunshine in.

If a business organisation has *klia glas* in their *kastom* it means the managers make the effort to regularly inform everyone about how the business is running. The progress of plans. Financial reports. Updates. Let the sunshine in.

If a business organisation has *klia glas* in their *kastom* it means the members ask questions about how the business is running - and the managers welcome questions from the members or from anyone. Let the sunshine in. Transparency.

12

Activity
Below is section I from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section I. Then answer the question that follows.

I. OUR RISKS 1. Stealing on the road when we go to town. We will only travel during the day. 2. We get sick. We will eat healthy food and not drink or smoke. If one of us gets sick we will make sure we look after our money so we can afford medicine. We will work together so that if one of us is sick the other person can take over their work. 3. Not enough customers. We will always try and find more customers by advertising and marketing ourselves. If there are not enough customers we will think about selling something else as well (like uniforms or curtains). We will also make savings each year in case there are down times.	What are the things that could go wrong with the business? The things that could go wrong are called 'risks'. (1) List down all the risks that you worry about. (2) For each risk, explain what you will do to reduce the chance that it will go wrong, and what you will do to manage if it does go wrong. Don't forget, if you need more space then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section I).
What will you do to manage demands from friends and family (social obligations)? We plan to budget some money each year for using for social obligations – *taim man i dai o kain olsem*. We will also budget a loan amount of K100 for helping friends and family – but once we loan the money we will tell anyone else that needs money that they can only have some when the previous loans have been paid back. We have also included our draft asset use policy as an attachment.	A big risk for any business is demands from friends and family for money or for use of your assets (the things the business owns). You need to meet your social obligations, but how will you find a balance so that you meet your social obligations without destroying your business?
How will you put the principle of transparency into practice? We will keep the records of all our expenses and profit. This information will be available for anyone who wants to look at it. If we get a loan for our business *bai mipela putim long ples klia ol dispela samting.*	Transparency means *klia glas*. *Pasin bilong mekim na putim olgeta samting long ples klia*. A big risk for any business is *dak glas*. Problems grow in darkness. Let the sunshine. *San save kilim binatang nogut*. The PNG Government wants every organisation to put the principle of transparency into practice. What will you do to when you run your business to *mekim na putim olgeta samting long ples klia?*

1. How will it help the group to think about how they will manage the risks of social obligations and lack of transparency?

Luk olsem if the group includes how they will manage the risks of social obligations and lack of transparency in their business plan, they will be in a better position to manage the risks later on. It will also help the group (if they need to get a loan) because banks know that businesses which try to manage social obligations and put the principle of transparency into practice are more likely to work out (and they are better to work with).

13

SECTION J. OUR COMPETITIVE ADVANTAGE

The next section of the business plan form is section J. This is where you explain what you think your competitive advantage will be. This information comes from your market research (topic 8 OUR COMPETITIVE ADVANTAGE).

13

Activity

Below is section J from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section J. Then answer the question that follows.

J. OUR COMPETITIVE ADVANTAGE	
(1) Meri blaus for women. Customers in Mako and Ward 44 will buy this product because they know us (relationship). Customers in town will buy our product because it will be quality (difference). They will also buy it because they know Jenny who will sell it at her market (relationship). *(2) Meri blaus for girls. Customers in Mako and Ward 44 will buy this product because no one else is selling it. Customers in town will buy our product because it will be quality (difference). They will also buy it because they know Jenny who will sell it at her market (relationship).*	Normally customers choose one product over another product because of price (it is cheaper than another product) or convenience (it is easier to buy when they want it) or relationship (the customers knows you) or difference (it is different and better than another product). (1) List each of the products you are going to sell. (2) For each product, explain why you think customers will buy your product instead of your competitors' product. What is your competitive advantage?

1. How can a business create new customers (so they don't need to try and win customers from another business)?

> *Luk olsem* the way to create new customers is to convince people who haven't bought what you are selling before (either from you or from your competitors) to buy it. New customers.

14

SECTION K. PRODUCT PROFILE

The next section of the business plan form is section K. This is where you profile each of the products you plan to sell. This information comes from the business analysis (part 1 PRODUCT PROFILE), and from your market research (topic 1 OUR PRODUCT and topic 2 OUR CUSTOMERS).

14

Activity

Below is section K from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section K. Then answer the question that follows.

K. PRODUCT PROFILE

Product (1) Meri blaus for women

1. The price for *meri blaus* for women will be K40
2. The main customer groups for this product will be women buying for themselves and husbands buying for their wives.
3. Women will buy one dress for themselves every two years. This means half a dress each year (1 dress divided by 2 years). Husbands will buy one dress for their wife each year.
4. *Luk olsem* 30 women will buy one dress for themselves every two years (half a dress each year). 80 husbands will buy one dress for their wife each year.

Product (2) Meri blaus for girls

1. The price for *meri blaus* for girls will be K20
2. The main customer group for this product is parents buying for their daughters
3. Parents will buy one dress for each daughter every year. If we say there are two daughters on average for each family this means parents will buy two dresses for their daughters in a year.
4. We estimate 100 parents will buy two dresses for their daughters in a year.

(1) Identify each of the different products (the goods or services) that you plan to sell.

(2) Then for each product ask yourself four questions:

1. **What will be the price for this product?**
2. **What will be the main customer groups for this product?**
3. **How much product will a customer in each customer group buy in a year?**
4. **How many customers are there in each customer group?**

1. Why did Betty and Benny say that women will buy half a dress each year?

> *Luk olsem* Betty and Benny need to work out how much product the customers will buy in a year. Because they estimate that women will buy a new dress every two years – this means they are buying half a dress each year. *Tingim.*

15

SECTION L. FORECAST ANNUAL PRODUCTION

The next section of the business plan form is section L. This is where you forecast your annual production. This information comes from the business analysis (part 2 FORECAST ANNUAL PRODUCTION).

15

Activity

Below is section L from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section L. Then answer the question that follows.

L. FORECAST ANNUAL PRODUCTION

Product (1) Meri blaus for women

The first customer group is women buying for themselves
½ dress each year X 30 women = 15 meri blaus for women
The second customer group is husbands buying for their wives
1 dress each year X 80 husbands = 80 meri blaus for women
Forecast annual production for product (1) = 95 meri blaus for women

Product (2) Meri blaus for girls

The main customer group is parents buying for their daughters
2 dresses each year X 100 parents = 200 meri blaus for girls
Forecast annual production for product (2) = 200 meri blaus for girls

(1) List the different products you plan to sell. To work out how much product you will need, look at the product profile (section K) for each of the products you want to sell and multiply your answers for question 3 and question 4. If there is more than one customer group for a product, you need to multiply question 3 and question 4 for each customer group first and then add them together.

1. Look at what Betty and Benny wrote for product (2) *meri blaus* for girls. If they changed their mind and decided that parents would only buy 1 dress each year (not 2 dresses) what is their new forecast annual production for product (2)?

> *Luk olsem* 1 dress each year x 100 parents = 100 *meri blaus* for girls. Their new forecast annual production for product (2) is 100 *meri blaus* for girls.

16

SECTION M. FORECAST ANNUAL INCOME

The next section of the business plan form is section M. This is where you profile each of the products you plan to sell. This information comes from the business analysis (part 3 FORECAST ANNUAL INCOME).

16

Activity

Below is section M from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section M. Then answer the question that follows.

M. FORECAST ANNUAL INCOME

Product (1) Meri blaus for women

Forecast annual income is 95 *meri blaus* for women X K40 = K3,800

Product (2) Meri blaus for girls

Forecast annual income is 200 *meri blaus* for girls X K20 = K4,000

Total forecast annual income for the business is K3,800 + K4,000 = K7,800

To work out how much income you should get, multiple your forecast annual production for each product by the price for each product (question 1 in the product profile). If there is more than one product, you need to add the forecast annual income for each product together. This gives you the total forecast annual income.

1. If Betty and Benny's new forecast annual production for product (2) is 100 *meri blaus* for girls (not 200), what is their new total forecast annual income?

Luk olsem the new forecast annual income for product (2) is 100 *meri blaus* for girls x K20 = K2,000. This means that the new total forecast annual income for the business is K3,800 + K2,000 = K5,800

SECTION N. FORECAST ANNUAL COSTS (maintenance costs)

17 The next section of the business plan form is section N. This is where you forecast your annual maintenance costs. This information comes from the business analysis (part 4 FORECAST ANNUAL COSTS).

Activity

Below is section N from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section N. Then answer the question that follows.

17

N. FORECAST ANNUAL COSTS (maintenance costs)

1. Two sewing machines = K600 x 2 = K1200
2. Cloth scissors = K100
3. Sharpener for scissors = K30
4. Work table = K200
5. Coleman lantern = K300
6. Chairs for work table = K60 (we already have this)
7. Needles = K20
8. Tape measure = K20
9. Backpack for transport = K80
10. Work room = K500 (we already have this)

Total cost for assets = K2,510
K2,510 x 0.1 (10%) = K251

Forecast annual maintenance costs for first year = K251

When you start a business, or if you are not sure what your maintenance costs are, then one way to forecast your annual maintenance costs is:

(1) List the assets you will need for your business. Assets are the big things you need to have or own that you need year after year - *ino ol samting wan raun na painim gen*. Assets might include things like land, machinery, office, vehicle, generator, lanterns, computer, coffee pulper, sewing machine, chicken feeders, chairs, mobile phone. Include assets you already have.

(2) For each asset that your business will need, write the cost to buy it (or if you already own it write its value).

(3) Total the costs for all the assets.

(4) Then work out what 10% of the total cost for all the assets is. 10% of the total cost for all the assets gives you an estimate (best guess) for what you can expect the annual maintenance costs to be (if you look after your assets!) To work out what 10% is, multiply the total cost for all the assets by 0.1.

1. What are some ways for a business to cut down their maintenance costs?

Luk olsem there are many ways to cut down on maintenance costs. Don't buy assets if you don't really need them. Needs not wants. Maintain your assets quickly before they *bruk bagarap.* Buy the best quality assets you can afford. Look after your assets and control who uses them (develop an asset control policy).

18

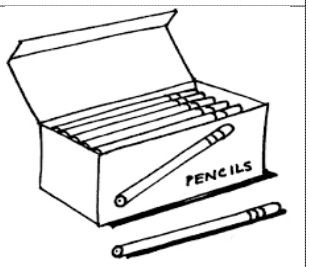
SECTION O. FORECAST ANNUAL COSTS (operation costs)

The next section of the business plan form is section O. This is where you forecast your annual operation costs This information comes from the business analysis (part 4 FORECAST ANNUAL COSTS).

18

Activity

Below is section O from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section O. Then answer the question that follows.



O. FORECAST ANNUAL COSTS (operation costs)

1. A4 paper for the office – 1 ream = K15
2. Box of black and red pens = K15
3. Receipt book = K10
4. Stamps (per book of 10) = K5
5. Batteries for wall clock = K10
6. Tea and coffee for mid year and end of year meetings with members = K30
7. Kerosene for lantern for office 10 litres = K25
8. Tea/coffee/milo/biscuits = K150
9. Transport Treasurer to town – 2 trips per year plus one standby = K100
10. Membership of District Small Business Association = K100
11. Petty cash – K200 per half year = K400
12. Community contributions = K400
13. Bank fees = K25
14. Annual loan repayment to bank = K500

Total forecast operation costs = K1,790

Operation costs are the costs for the things you need each year to run your business. Operation costs are fixed. This means they don't change much from year to year. Operation costs grow slowly as your business slowly grows. In *tok bisnis* operation costs are often called 'fixed costs'.

The costs for any 'fixed' permanent or part-time employees are operation costs. These are people you need regardless of how much product you produce and sell. But if the person you employ is only to help you with the work when you produce or sell your product, then it is better to include their cost as a production cost. This is because this cost is 'flexible' - it depends on how much product you produce and sell.

Operation costs are not the costs for what you need to buy or get from the people and other businesses in your upstream and your downstream supply chain. These are 'flexible' costs because they depend on how much product your produce and sell.

Don't include the costs to buy assets as operation costs - you buy new assets with start-up funding or savings or profit. And don't include costs to repair your assets or to replace them if they *bagarap* - these are maintenance costs (and you have already included these costs).

To forecast your annual operation costs do the following:

(1) List the things your business will need to operate. (2) For each thing that your business will need to operate, write the cost. (3) Total all of the operation costs.

1. What are some ways for a business to cut down their operation costs?

Luk olsem there are many ways to cut down on operation costs. Don't incur operation costs that you don't really need. Needs not wants. Don't pay an allowance to your members to come to an annual *kibung.* Don't buy a big box of pencils (and give them out free because there are lots left over). Don't go to town to put money in the bank unless you really need to (wait until you can double up the work). Look after what you buy to run your business each year. Don't waste your petty cash (keep receipts). Keep control of your community contributions (social obligations). *Kain kain.*

SECTION P. FORECAST ANNUAL COSTS (production costs)

19 The next section of the business plan form is section P. This is where you forecast your annual production costs. This information comes from the business analysis (part 4 FORECAST ANNUAL COSTS).

19 **Activity**

Below is section P from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section P. Then answer the question that follows.

P. FORECAST ANNUAL COSTS (production costs)

UPSTREAM

Bintangor fabric store (laplap, thread, bias binding) K300 for laplap, K30 for thread, K30 for bias binding = K360 per year

Uncle David's PMV (get to town) K50 x 4 return trips = K200 per year

Town PMV K4 x 16 trips = K64 per year

Jenny (house in town for accommodation) K40 per trip for food contribution = K160 per year

Jan's table market (Digicel flex and kerosene) = K100 per year

Cousin Debbie (casual hire to help cutting fabric) = K200 per year

David's store (washing powder to wash meri blaus before selling) = K30 per year

Johno's stationery (blank stickers for prices, marker pen, plastic sale bags) = K40 per year

Meri blaus business

DOWNSTREAM

Uncle David's PMV (to take meri blaus to market) = cost included in upstream costs

Jan's table market (Digicel flex) = K50 per year

Jenny (house in town for accommodation) = cost included in upstream costs

Town market (sold by Jenny at her peanut market) Contribution market fees = K50 per year

Weegena market (local market fees) K2.50 market fee x 20 = K100 per year

Wara bung market (local market fees) K2.50 market fee 20 = K100 per year

Forecast annual production costs = K1390

Production costs are the costs to produce and sell your product. They are 'flexible' because they depend on how much product you produce or sell. To forecast your annual production costs, you need to work out what your supply chain will cost each year. Do the following:

(1) Look at section F (Our upstream supply chain) and copy down the names of the people and businesses that will supply the things you need to PRODUCE your finished product. Write down what things (goods or services) you need from each of these people or businesses (each link). Then write down what each link will cost each year to get the goods and services you need to achieve your forecast annual production (see section L).

(2) Next, include your own business in the middle. Your production costs are shown in your upstream or downstream supply chain. But if there is a production cost that you don't know where to include, you can include it here (but make sure it is not a maintenance cost or operation cost). If you do this, then write down what this production cost will cost each year to achieve your forecast annual production (see section L).

(3) Next, look at section G (Our downstream supply chain) and copy down the names of the people and businesses that will supply the things you need to SELL your finished product. Write down what things (goods or services) you need from each of these people or businesses (each link). Then write down what each link will cost each year to get the goods and services you need to achieve your forecast annual production (see section L).

(4) Finally, add up the cost for each link in your supply chain. This is your total annual production cost.

Be careful. Don't double count costs. Don't include a cost as a production cost if it has already been included as an operation cost. Don't include the cost to buy an asset as a production cost – the costs to buy assets will be included in the section 'forecast start-up costs'. Don't count the same production cost twice in two different links. And don't count the cost to go to town twice if you can combine and make just one trip.

1. What are some ways for a business to cut down their production costs?

Luk olsem you can change how you produce your product, or what you produce, so that you need less or different goods or services from your upstream supply chain. You can change how you prepare and package and transport your product so that you need less or different goods or services from your downstream supply chain. If there is more than one person or business that can supply what you need, see who can give the better price. Try and build up your relationship with each of the links in your supply chain so it cuts down your costs. Try and encourage other service providers (like the Government) to improve services (like fixing the road). *Kain kain.*

SECTION Q. TOTAL FORECAST ANNUAL COSTS

20 The next section of the business plan form is section Q. This is where you total your forecast annual costs This information comes from the business analysis (part 4 FORECAST ANNUAL COSTS).

Activity

Below is section Q from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section Q. *Lukluk tasol.*

Q. TOTAL FORECAST ANNUAL COSTS	
The forecast annual maintenance cost (section N) = K251 The forecast annual operation cost (section O) = K1790 The forecast annual production cost (section P) = K1390 K251 + K1790 + K1390 = K3,431 (total forecast annual costs)	To work out your total forecast annual costs, add the forecast annual maintenance costs (see section N) and forecast annual operation costs (see section O) and forecast annual production costs (see section P).

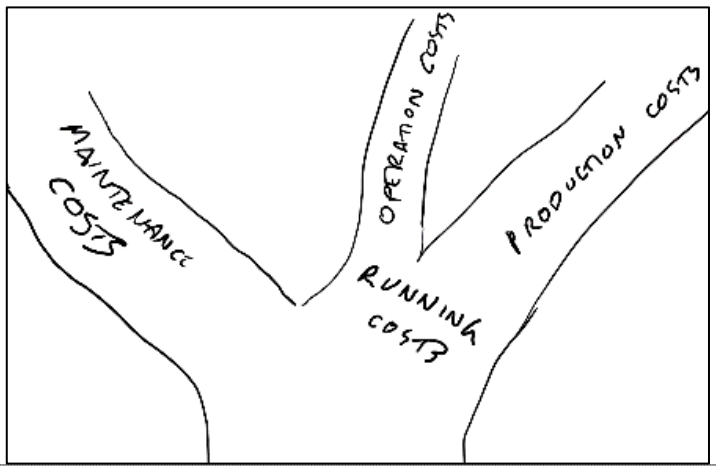
1. Your total forecast annual costs are the branches you need to *strongim bek* each year. How should a business grow each year like a strong and healthy fruit tree?

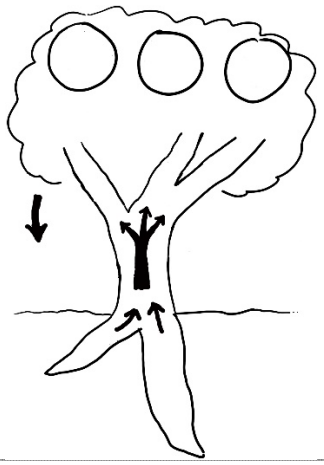
20

A business should grow each year like a strong and healthy fruit tree.

Roots = income and savings
Branches = costs
Fruit = profit

Each year, the first use of your *gris moni* (income and savings) should be to pay for your costs. *Strongim bek bilong narapela yia bihain.* And make sure you grow your savings. *Grisim bek bilong narapela yia bihain.* Whatever is leftover after you *strongim bek na grisim bek* is *win moni.* Fruit. Profit. *Tasol noken kaikai nating tingim gut na kaikai.*





21

SECTION R. FORECAST ANNUAL PROFIT (OR LOSS)

The next section of the business plan form is section R. This is where you forecast your annual profit (or loss). This information comes from the business analysis (part 6 FORECAST ANNUAL PROFIT [OR LOSS]).

21

Activity

Below is section R from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section R. Then answer the question that follows.

R. FORECAST ANNUAL PROFIT (OR LOSS)	
Forecast annual income (section M) = K7,800 Forecast annual cost (section Q) = K3,431 K7,800 – K3,431 = K4,369 (forecast annual profit)	Subtract your forecast annual costs (see section Q) from your forecast annual income (see section M). This will give you your forecast annual profit (or loss).
Tok save. You profit is not just for spending. You need to use your profit to make savings. You should always try and grow your savings by 10% each year.	

1. What can you do if you find there is not enough forecast annual profit?

> *Luk olsem* you will have to either go back and change the business idea so you get more income, or cut down on your costs. Two choices.

22

SECTION S. FORECAST START-UP COSTS

The next section of the business plan form is section S. This is where you forecast your start-up costs This information comes from the business analysis (part 7 FORECAST START-UP COSTS).

22

Activity

Below is section S from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section S. Then answer the question that follows.

S. FORECAST START-UP COSTS

(1) The total cost of the new assets we need to purchase = K1,950

+

(2) We need to transport assets = 2 return trips to town (K55 x 2) = K110

+

(3) Total forecast annual costs = K3,431

=

(4) Total so far is K1,950 + K3,431 + K110 = K5,491

+

(5) K5,491 x 0.1 = K549.1 = K549 (10% contingency)

=

(6) Total forecast start-up costs for one year (plus 10% contingency)

= K5,491 + K549 = K6,040

To forecast your start-up costs for one year, do the following:

(1) Get the total cost of the new assets you need (see section N). Don't include the cost for those assets that you already own.

(2) Work out any other one-off start-up costs (like transport for assets after you buy them).

(3) Get the total forecast annual costs (see section Q).

(4) Add it all together (1-3) and this gives you your total forecast start-up costs for one year.

(5) Now is a good time to include 10% contingency *(sefti moni)* just in case prices change or something goes wrong. To work out what 10% contingency is, multiply the total forecast start-up costs for one year by 0.1. Don't worry about *toea* - just round it up or down.

(6) Finally, add this amount to the total forecast start-up costs for one year. This gives you the total forecast start-up costs for one year (plus 10% contingency).

If you need two years to start-up your business, then add the forecast annual costs again for a second year (your answer for section Q plus 10% contingency). You don't need to include again the cost of the assets you need to purchase (you already bought them) or any one-off start-up costs (they were once-off). If you need three years then do the same thing again for the third year.

Tok save. You won't need to put aside money for paying tax until you start to earn profit. To find out about what tax you will need to pay talk to a financial organisation or the Government.

1. If Betty and Benny need two years to start-up their business, work out what their forecast start-up costs will be?

Total forecast costs for the first year = **K6,040**

+

Forecast annual costs for a second year = K3,431

(plus 10% contingency = K3,431 x 0.1 = K343 *toea maski)* = K3,431 + K343 = **K3,774**

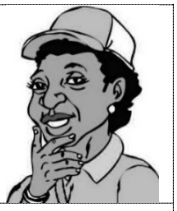
=

K6,040 + K3,774 = K9,814

So the total forecast start-up costs for two years = **K9,814**

23

SECTION T. CONTRIBUTION AMOUNT AND LOAN REQUESTED



The next section of the business plan form is section T. This is where you need to state clearly how much money you need and what your contribution will be.

23

Discussion
With your colleagues, discuss why a finance organisation would want to know how the group is contributing to the start-up costs for the business?

23

The more you contribute to the start-up costs of your business the better. It is only fair. *Na tu* if you have your own money involved in starting the business then you are more likely to look after the business properly. *Yu papamama bilong koins yu bai putim ai gut long mek sua em kamap hau em sapos long kamap. Tru a.*

Normally, if you want to get a loan from a bank, you need to contribute 20% or more of the total forecast start-up costs (but it will depend on who you get the loan from).

23

Activity
Below is section T from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section T. Then answer the question that follows.

T. CONTRIBUTION AMOUNT AND LOAN REQUESTED	
The total forecast start-up cost is K6,040. This is the amount of money we forecast we need before the business can start to karim kaikai. We will contribute K1,200 of this amount from local contributions We are requesting a loan of K4,840 from a financial organisation	First, list the total amount required to start your business. Will you need start-up funding for 1 or 2 or 3 years? Next, work out how much money your community will contribute. Often the finance organisation will require you to contribute a set amount before they will lend you any money. Find out from them what contribution they require. If you are not sure then contribute 20% (the total forecast start-up costs x 0.2). Finally, subtract your contribution from the total forecast start-up costs This gives you how much money you need to loan.
Tok save. If you are successful in getting a loan, the financial organisation will need to be repaid. Definitely. A loan is repaid by paying back the original loan amount (called the 'principal' amount) and the interest. Interest is the *antap* money the finance organisation charges you for using their money. If you are successful in getting a loan, the finance organisation will set the minimum monthly or quarterly repayments. This means they will tell you how much you have to pay back each month or each quarter. Normally the repayment will come from your income. This repayment amount becomes one of your operating costs. *Tingim.*	

1. What is 20% of Betty and Benny's total forecast start-up cost? Betty and Benny are contributing K1,200. Is what Betty and Benny are contributing enough?

K6,040 x 0.2 = K1,208. Betty and Benny will be contributing K1,200. This is not quite 20% but it should be okay. *Long inapim stret* it would be better if they contributed K8 more.

24

SECTION U. SECURITY

The next section of the business plan form is section U. This is where you state what security you can provide for the loan. Time to think about it.

24

Discussion
What is 'security' for a loan? Discuss this with your colleagues.

24

If someone asks you for a loan of money, then you should think about asking them what they will give you if they can't pay back the loan. Just in case. Things go wrong. Their car or their mobile phone or *liklik hap graun o kain olsem.*

In *tok benk,* 'security' means what you will offer to give the bank if you can't pay back the loan. Banks will need some form of security before they offer you a loan. Definitely.

24

Discussion
What sort of things can be offered as 'security' for a loan? Discuss this with your colleagues.

24

When somebody applies for a loan, they normally have to identify assets (like land or a building or a car) to be used as security in case they are unable to pay back the loan. You can include any high-value asset or combination of assets, but if your business fails and cannot repay the loan, the items you have listed as security will be taken by the bank (so they can sell the items and recover some of the loan).

Don't value the assets too highly. Write down what you are including and what you think the bank would be able to get for these assets if they sold them. If you don't know then that is fine just include the asset. The bank will check anyway.

Remember that anything you list as security will be taken by the bank and sold if your business cannot pay the loan repayments. Don't list a security that you are not prepared to lose. Don't list your husband. Don't list your *tambu.* Getting a loan is always a risk. Don't say *noken wari.* Things go wrong.

It is also possible to list a guarantor (someone else who guarantees to pay back the loan if you can't) – and then the guarantor needs to list their assets as security. But be careful – if things don't work out this can get you into trouble with the bank and the guarantor.

Save moa yet
Financial institutions won't consider land as security unless it is privately owned, and you have the title to the land. There has been a lot of talk in PNG about registering clan land. One of the reasons some people want to do this is so it can be used as security for loans from banks. *Tok save tasol.*

24

Discussion
If you miss a loan repayment what will the financial organisation do? Discuss this with your colleagues. *Nogut yupela klia pinis.*

24

If you are having trouble paying back the loan then the bank won't come in and take the security – they will try and work with you to help you pay back the loan. The bank don't want the *hevi* of taking something from you – and the *wari* of trying to sell your security to get their money back. *Het pein.*

But be careful of getting loans from financial institutions that don't have a good reputation. Don't get a loan from 'Jack the knife' just because it is easy. If something goes wrong will 'Jack the knife' work with you (or will it be smash and grab time). *Tingim gut.*

24

Activity
Below is section U from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section U. Then answer the question that follows.

U. SECURITY	
The following items are available as a security 1 x generator Honda DX500 2 years old. Good condition. K1500 1 x solar pump Sanyo ss956. Brand new under warranty. K3000	Financial organisations will need a guarantee that if you cannot repay the loan, then you have other items of value that they can take and sell to recover the loan. In *tok benk* this is called 'security'. List anything you have which is a valuable asset. Describe it and how old it is and what condition it is in and what you think the asset is really worth. If you don't know the value don't worry - the financial organisation will check. The total value of the items you list as security should be at least 30% of the loan requested (loan requested x 0.3). 50% is better. But don't list something that you are not prepared to lose. Getting a loan is a risk.

1. Have Betty and Benny included security that is at least 30% of the loan requested?

> Yes. K4,840 x 0.3 = K1,452. Betty and Benny have listed security that adds up to K4,500. This is much more security than they need. But the more the better. Fine.

25

SECTION V. SIGNATURES

The next section of the business plan form is section V. This is where you sign the business plan from to make it official. You shouldn't sign until everything is finalised.

Activity

Below is section V from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section V. Then answer the question that follows.

V. SIGNATURES

- We the Principles confirm that the information in this form is true and correct to the best of our knowledge.
- We the Principles promise that we will be truthful and honest and transparent in all our dealings with the members of our organisation.
- We the Principles promise that we will be truthful and honest and transparent in all our dealings with any financial organisation.

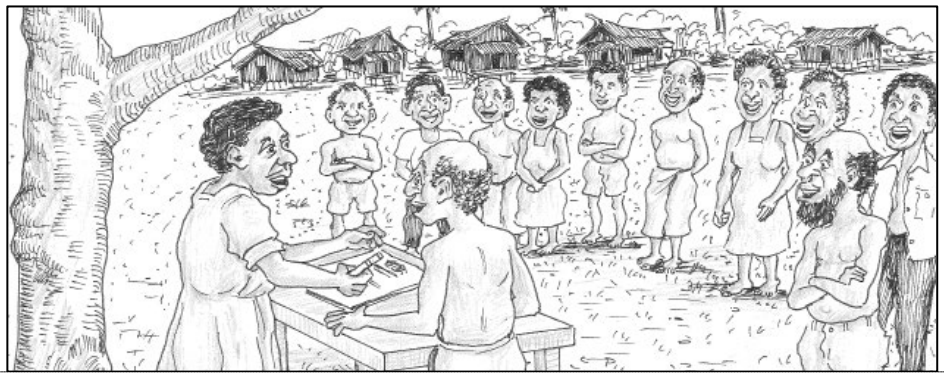
Name and position	Signature
Betty Benny (Production Manager)	Betty
Benny Waisi (Sales Manager)	Benny x x

All of the Principals that you listed in section B need to sign and date as evidence that they have read the statement and confirm that it is true. Each Principal should write their name, sign under their name, and then write the date that they signed.

25

1. What should you do if someone who is not a principle also wants to sign?

> *Luk olsem* as long as the principals who are listed in your business plan have signed then it doesn't matter who else signs. All of the members of the group can sign if they want. Nice.



SECTION W. ATTACHMENTS

26

The last section of the business plan form is section W. This is where you can include any extra information that you think would be good to include. Any extra information that you want to include is called an 'attachment'.

26

Discussion

You are helping a group to develop a business plan. You have already helped them to do step 1, 2, 3 and 4. What information from step 1, 2, 3 and 4 would be good to include as an attachment to the business plan?

26

Include a copy of the market research that you did in step 1 as an attachment. If you just scribbled everything down in an exercise book then still include it. Fantastic. Include the market research information for all the ideas you investigated. If you need a loan it is good to show the finance organisation all the work you did. *Ol bai kirap nogut.*

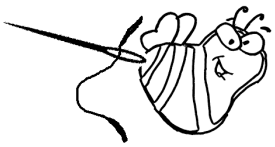
Include a copy of the business analysis that you did in step 2. Even though you used the information to help you fill out this business plan form – still include the business analysis. Include the business analysis for all the ideas you analysed. If you need a loan it is good to show the finance organisation all the work you did. *Ol bai kirap gen.*

If you need to get a loan, then it is a good idea to include a story of how you developed your business plan. The five steps of *kamapim bisnis plen*. Talk about who and when and how. Any financial organisation will want to know that managers and leaders *bin go pas* to develop the business plan (not a consultant). Any financial organisation will want to know that the members of the organisation participated as much as possible.

And if you can, why not show how your business can grow like a strong and healthy fruit tree. Best. *Tingim hau Betty na Benny bin mekim.*

And include anything else that you think is necessary:

- ✓ Include any letters of support
- ✓ Include copies of qualifications or certificates
- ✓ Include photos or drawings or maps
- ✓ Include any official (Government) registration
- ✓ Include your business logo and letterhead



B and B sewing bees

26

Activity

Below is section W from Betty and Benny's completed business plan form. With your colleagues, read the instructions on the side first. Then look at what Betty and Benny wrote for section W. Then answer the question that follows.

W. ATTACHMENTS

- Market research
- Business analysis
- Certification of Participation for Good Governance course (Betty Benny and Benny Waisi) from Luthern Development Services
- Letter of support from Pastor of Mako Church
- Letter of support from Head Teacher, Ward 44 Community School
- Photos of proposed workshop and location
- Story of how we developed this business plan
- Organisation profile (business profile)
- Good governance policy (constitution)
- Supply chain plan

List the attachments you have included. Attachments might include your market research, your business analysis, evidence of what your organisation or business has done in the past, minutes from meetings, the story of how you completed this business plan form, your good governance policy (constitution), asset control policy, financial control policy, roles and responsibilities policy, behaviour policy (code of conduct), letters of support, a supply chain plan, a five-year plan, an organisation/business profile, any budgets or annual plans. *Kain kain.*

1. Will the attachments that Betty and Benny have listed help the bank to *skelim* whether the business plan (and their family business) are worth supporting?

Luk olsem yes. Definitely. *Kilim i dai.*

27

Discussion

Banks only give loans if they think the business plan (and the organisation that needs the loan) will work out. *Wok mak bilong ol em olsem.* If the group wants to apply for a loan, what other information could the group include as an attachment to help the bank *skelim* whether the business plan (and the group) are worth supporting? Discuss this with your colleagues.

27

There are many other attachments that the group could include with their business plan. For example, the following three attachments would be excellent to include:

1. An organisation profile (vision/mission/priorities)
2. A good governance policy (constitution) and any other policy documents
3. A supply chain plan

It might mean that you the Community Development Worker will need to do some extra work to help the group to develop these attachments. But it is worth the effort. These extra attachments will also be a big help for the group even if they do not need to apply for a loan. Definitely.

28

An organisation profile (business profile) would be an excellent attachment for the group to include with the business plan.

1 An organisation profile (vision/mission/priorities)

28

Discussion
A business (or any organisation) should grow each year like a strong and healthy fruit tree. What is the fruit? Discuss this with your colleagues?

28

A business (and any organisation) should grow each year like a strong and healthy fruit tree. The roots are your *gris moni.* The branches are what you need to *strongim bek pastaim.* The fruit is your profit. *Win moni.*

Fruit = profit

When you are starting a business in can take years before you start to get profit. *Em nau yupela klia pinis.* In can take years before a new fruit tree starts to *karim.* But when you do start to get your profit *noken kaikai nating.* Plan how your profit will be used. What are your ideas? What are your priorities? Everyone must agree on how to use any profit.

The best way for a community or a group or a family business to agree on how profit will be used is by coming together every five years *(o kain olsem)* to do the following:

1. Decide or confirm what it is they want to do together. In *tok ogenaiseson,* what a group wants to do together is called their vision and missions.
2. Next, come up with ideas together for achieving your missions.
3. Next, prioritise the ideas for achieving your missions. This is how your profit will be used. This is your fruit. What fruit you *kaikai* will depend on your priorities and how much profit you have left over after you *strongim bek na grisim bek.*
4. Finally, put everything together into a profile of your organisation. The profile also includes the story of the organisation. You can use this organisation profile to help market your organisation for outside support, and you can use it for the next five years to guide how your organisation uses the profit from the business.

An organisation profile shows how the profit will be used

28

Discussion
With your colleagues, have a look at the list of *strongim grup* coursebooks (on the inside cover of this coursebook). Which coursebook will show you how to help a group to develop an organisational profile (vision/missions/priorities)?

28

Tok save. This coursebook won't show you how to help a group to develop an organisational profile (vision/missions/priorities).

On the inside cover of this coursebook is a list of the *strongim grup* coursebooks. The first one is called *kamapim ol praioriti.* The *kamapim ol praioriti* coursebook shows a Community Development Worker how to help a business (or any organisation) to identify their vision and missions, identify priorities to achieve their missions, and to develop an organisation profile.

29

Another attachment that would be excellent for the group to include with the business plan is a good governance policy (constitution).

2 A good governance policy (constitution) and any other policy documents

29

Discussion
What does 'good governance' mean? Discuss this with your colleagues.

29

Making decisions (and putting those decisions into practice) is called 'governance'.

Making good decisions (and successfully putting those decisions into practice) is called 'good governance'. Good governance is what every organisation in the world is trying to achieve - *olgeta femili na grup long ples na bisnis igo antap long Gavman.*

Good governance is hard. *Ino isi.* Fortunately, there are six principles that you can put into the *kastom* of your organisation that will help you make good decisions (and successfully put those decisions into practice). These principles are called principles of good governance. These are the same principles we have looked at already in this course – the six principles that the PNG Government wants every organisation to put into their *kastom - olgeta femili na grup long ples na bisnis igo antap long Gavman:*

PARTICIPATION	*Pasin bilong wokim disisen wantaim na wokbung wantaim*
EQUALITY	*Pasin bilong lukim yu wankain olsem narapela*
ACCOUNTABILITY	*Pasin bilong mekim wok bihainim mak na skelim wok bihainim mak*
TRANSPARENCY	*Pasin bilong mekim na putim olgeta samting long ples klia*
RESPONSIVENESS	*Pasin bilong bekim tingting na askim na senis wantaim eksen*
LEGITIMACY	*Pasin bilong makim lida na menesa bihainim lo na ron wantaim lida na menesa bihainim lo*

When you help a group to develop a business plan, it would be an excellent idea to also help the group to come up with *wok mak* for what they plan to do to put the principles of good governance into practice. This is called a good governance policy (constitution).

29

Discussion
Which of the six principles of good governance have we not yet looked at in the *kamapim bisnis plen* course? Discuss this with your colleagues.

29

There are two more principles of good governance that we need to look. The principle of responsiveness and the principle of legitimacy.

RESPONSIVENESS	*Pasin bilong bekim tingting na askim na senis wantaim eksen*

The world is always changing. An organisation needs to respond to change. If a business doesn't respond to change by taking action it will quickly fail.

Nid bilong ol manmeri memba save senis. This means the vision and missions and priorities and plans of an organisation also need to change. There are always new problems and challenges to deal with. There are always new opportunities to take advantage of. There are always questions and requests to deal with - from inside and outside your organisation.

An organisation has responsiveness in its *kastom* if it responds to change by planning and taking action. *Stap nating maski. Bekim tingting na askim na senis wantaim eksen.*

Pasin bilong bekim tingting na askim na senis wantaim aksen

29

Discussion
With your colleagues, discuss how you would explain the principle of responsiveness to *ol lain long ples?*

29

LEGITIMACY	*Pasin bilong makim lida na menesa bihainim lo na ron wantaim lida na menesa bihainim lo*

If leaders and managers have legitimacy it means that they have authority. *Bihainim tok.*

In a good governance organisation, the members of the organisation give the managers and leaders their authority. But it must be given freely and fairly. A free and fair election or a free and fair employment process is a good way for a group to select their leaders and managers. Not corruption. Not force. Not *wantok sistem.*

And the managers and leaders need to maintain their legitimacy. If they break the rules and *kastom* of the organisation – if *wok bilong ol ino painim mak* – then they lose their legitimacy. They lose their authority. *Ino moa trutru lida bilong mipela. Giaman menesa.*

Pasin bilong makim lida na menesa bihainim lo
na ron wantaim lida na menesa bihainim lo

Save moa yet

Think about an elected politician - the Member for South Fly *o kain olsem*. They are the leaders of the Government organisation. An elected politician gets authority if the voters say the election was free and fair. If people start to say that the election of the Member for South Fly was not free and fair, then there will be disputes. The Member won't have legitimacy. They won't have authority. *Ol manmeri bai stat long tok olsem ino trutru Memba.*

And the Member for South Fly also needs to maintain their legitimacy. If they break the rules and *kastom* of the Government organisation, if they don't do what they are supposed to be doing, then they lose their legitimacy. They lose their authority. *Ol manmeri bai stat long tok olsem ino trutru Memba.*

The managers of the Government organisation are the public servants - teachers and health workers and District officers *na ol kain lain olsem*. They get their legitimacy if they got their job in a free and fair way - not through *wantok sistem*. And they keep their legitimacy if they follow the rules and *kastom* of the Government organisation - and if they do what they are supposed to be doing.

29

Discussion

With your colleagues, discuss how you would explain the principle of legitimacy to *ol lain long ples?*

29

Tok save. This coursebook won't show you how to help a group to come up with *wok mak* for the six principles of good governance. On the inside cover of this coursebook is a list of the *strongim grup* coursebooks. *Em nau yupela lukim pinis.*

One of the coursebooks is called *setim gutpela kastom bilong ronim grup*. The *setim gutpela kastom bilong ronim grup* coursebook shows a Community Development Worker how to help a group come up with *wok mak* for principles of good governance. A good governance policy. A constitution. The *setim gutpela kastom bilong ronim grup* coursebook will also give you ideas for how to help a group come up with other policy documents that would be excellent to include as attachments with the business plan:

An **asset control policy** lists your *wok mak* for looking after your assets. Who can use them? How you will look after them? Who owns them? *Kain kain.*

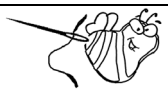
A **roles and responsibilities policy** lists your *wok mak* for the managers and leaders and the Principals and anyone else in the organisation. *Putim wok mak long ples klia.*

A **financial control policy** lists your *wok mak* for controlling your money. Who signs the account? How much petty cash? Banking? *Kain kain.*

A **behaviour policy** lists your *wok mak* for how people should behave. This is sometimes called a code of conduct. No stealing. No politics. No drugs. *Kain kain.*

Activity
Below is the good governance policy development by Betty and Benny for their *meri blaus* business. With your colleagues, look at what Betty and Benny came up with. Then answer the question that follows.

B and B sewing bees
Good governance policy (constitution)



B and B sewing bees

PARTICIPATION - *pasin bilong wokim disisen wantaim na wokbung wantaim*
We will involve everyone in our family business when we make important decisions
We will involve everyone in our family business to develop the organisation profile (vision/missions/priorities) and our constitution and policies
We will have a meeting every quarter with everyone in our family business
We will have an annual meeting with everyone involved with our business, including people in our supply chain and community leaders, to discuss any issues

EQUALITY - *pasin bilong lukim yu wankain olsem narapela*
We will make all business decisions together (Betty and Benny)
We will decide together how our profit will be used
We will involve our children so they learn - and make sure they benefit

ACCOUNTABILITY - *pasin bilong mekim wok bihainim mak na skelim wok bihainim mak*
We have a good governance policy (constitution) and will follow it
We have a roles and responsibilities policy and will follow it
We will follow our code of conduct (behaviour policy) and take action if it is broken
We will check each year how well we are following our constitution and policies

TRANSPARENCY - *pasin bilong mekim na putim olgeta samting long ples klia*
Meeting minutes will be kept
Reports and records will be kept and will be available for inspection
We will give an annual finance report to the members of our family business

RESPONSIVENESS - *pasin bilong bekim tingting na askim na senis wantaim eksen*
We will respond quickly to any people or businesses that we work with
We will update our organisation profile (vision/missions/priorities) every five years
When we have quarterly meetings we will ask if anyone has any issues

LEGITIMACY - *pasin bilong makim lida na menesa bihainim lo na ron wantaim lida na menesa bihainim lo*
We (Betty and Benny) will follow our constitution and policies
Anyone employed by us will be selected through a free and fair process

1. Do you think this good governance policy (constitution) will help Benny and Benny to run their business?

Luk olsem yes. Definitely. *Kilim i dai.*

30

Another attachment that would be excellent for the group to include with the business plan is a supply chain plan. *Tasol yupela yet.*

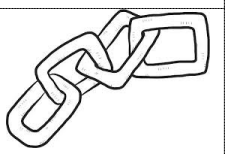
A supply chain plan

30

Discussion

When you helped the managers and leaders to do the business analysis (step 2) you helped them map out their supply chain to work out their production costs. *Tingim.* And you also helped them use their supply chain map to work out the supply chain score. *Tingim.* With your colleagues, discuss what you did. If you have coursebook 2 then have a look at what Betty and Benny came up with.

30



In the business analysis (step 2) you helped the managers and leaders to map out their supply chain to work out the production costs, and to work out the supply chain score. *Tingim.*

You can include this as an attachment to your business plan. Definitely.

But it is better to use it to go one step further and develop a plan to strengthen your supply chain. Many businesses fail because their supply chain fails. The stronger your relationships are with the people and businesses in your supply chain, the stronger your business will be. A great way to strengthen your business is to identify what actions you will take to strengthen each link in your supply chain. *Strongim wokbung na hamamas namel long yupela.* This is called a supply chain plan.

A supply chain plan includes: (1) Your supply chain map. (2) Your supply chain score. (3) The actions you plan to take to strengthen each link in your supply chain

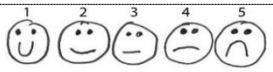
You already helped the managers and leaders to do the supply chain map and supply chain score. All you need to do to turn it into a supply chain plan is to add the actions the group plans to take to strengthen each link in the supply chain.

30

Activity

With your colleagues, look at the supply chain plan that Betty and Benny came up with (below). Then answer the question that follows.

SUPPLY CHAIN PLAN



Bintangor fabric store *(laplap,* thread, bias binding)	• *Meet with the manager to introduce ourselves and what we will need to buy* • *Give her a sample meri blaus*	1
Uncle David's PMV (to get to town and to bring back supplies)	• *Budget to help him with maintenance* • *Invite David to annual kibung*	4
Town PMV		1
Jenny (house in town for accommodation)	• *Make sure we contribute money for food* • *Bring kumu long ples to give her* • *Give her a meri blaus*	2
Jan's table market (Digicel flex and kerosene)	• *Invite Jan to our annual kibung* • *Help Jan to plan her business*	2
Cousin Debbie (casual hire to help cutting fabric)	• *Identify an alternative to Debbie in case she gets married*	2
David's store (washing powder to wash *meri blaus* before selling)	• *Invite David to our annual kibung* • *Ask if we can sell in David's store*	3
John's stationary (blank stickers for prices, marker pen, plastic sale bags)	• *Meet with the manager to introduce ourselves and what we will need to buy* • *Give him a sample meri blaus*	2

↓

Meri blaus business

↓

Uncle David's PMV (to take *meri blaus* to market and return)	*As above*	4
Jan's table market (Digicel flex)	*As above*	2
Jenny (house in town for accommodation)	*As above*	2
Town market (sold by Jenny at her peanut market)	• *Help Jenny with market fees* • *Develop agreement with Jenny* • *Buy Jenny's peanuts na salim long ples*	2
Weegena market (local market fees)	• *Pay fees on time* • *Invite market manager to annual kibung* • *Become member of market committee*	4
Warabung market (local market fees)	• *Pay fees on time* • *Invite market manager to annual kibung*	2

CURRENT SUPPLY CHAIN SCORE = 33/14 = 2.3

1. How would it help Betty and Benny's business to develop a plan to strengthen their supply chain (and to update it every five years)?

> *Luk olsem* it will help them if they need a loan. The bank would be very interested to see how Betty and Benny plan to strengthen their supply chain. And it shows them how much you Betty and Benny have thought about the business idea. It also helps Betty and Benny even if they don't need a loan, because it means that they have an idea of what they can do to strengthen their supply chain – and they have a target (to try and improve their supply chain score).

30

Discussion
With your colleagues, discuss what other things Betty and Benny could do to strengthen their relationship with the people and businesses in their supply chain? *Bungim tingting*.

30

There are many ways to strengthen your relationship with the people and businesses in your supply chain:

- Communicate with them regularly. Call them or talk to them.
- Invite them to meetings or *kibung*
- Make a cooperation agreement (partnership or *wan bel* agreement) with them
- Give them a sample of your product. Special rates. Gifts.
- Ask them what they think when you do planning. Get their ideas.
- Promote their business when you promote your own business
- Send them a copy of your meeting minutes or other documents
- Get a letter of support from them for your business plan
- Give them a letter of thanks from your business
- Do a supply chain plan together with everyone in your supply chain
- Ask them how you can help them or their business

30

If you helped the group to do an organisation profile (vision/missions/priorities), then when they update their organisation profile (every five years *o kain olsem)* they should also update their supply chain plan.

Every five years, if you update the supply chain map (the people and other businesses in your supply chain will definitely change) and you update the supply chain score and you update the actions to take to strengthen each link in the supply chain, then you will strengthen your supply chain. The target should be to try and improve the supply chain score each time. Fit.

Every five years
(when you update your organisation profile)
update your supply chain map
and update your supply chain score
and update your supply chain plan

31

Discussion
With your colleagues, discuss which sections of the business plan so far would not be relevant (necessary) if the group don't need a bank loan.

Luk olsem the only sections that are not relevant if you don't need a loan are section T and U. Some attachments might not be necessary. But everything else is very necessary.

31

The business plan is finished. You have helped the managers and leaders to do it. Fit.

If you helped the group to go through the steps so far to develop the business plan, then the business plan will really help the bank *skelim* whether the business plan (and the organisation that needs the loan) will work out.

But the business plan is not just for helping the group to get a loan. If you helped the group to go through the steps so far, then the group will be ready to start their business even if they don't need a loan. *Ol i set gut tru.*

31

Written answer **B**
With your colleagues, go back over each section of the business plan (A-W) and make sure you know how to help the managers and leaders of a group to complete each section. If there is anything you don't understand, see if a colleague can help. *Kliarim yupela yet.* Next, in your exercise book, write down 'step 4 COMPLETE the business plan', and then list down the title of each section (A-W) in the business plan. Finally, write down which sections (A-W) you are still confused about, and what you are confused about. The course facilitator will do their best to help you.

Revision discussion
Discuss with your colleagues if there is anything you are not clear about. They might be able to help you (and you might be able to help them). *Sekim gut.*

Step 4.2 | *Singautim ol manmeri memba long kam bung*

1 hour

Materials Exercise book. Pen or pencil. Coursebook 3.

1

You are helping the managers and leaders to do step 4 COMPLETE the business plan. Step 4 *igat tupela hap step long mekim:*

STEP 4 COMPLETE THE BUSINESS PLAN

4.1 WOKIM BISNIS PLEN

4.2 SINGAUTIM OL MANMERI MEMBA LONG KAM BUNG

You have helped the managers and leaders to prepare the business plan. There is probably lots to do yet. *Kain kain igo ikam long pinisim. Em orait. Em nomal.*

The members of the group you are helping were involved to help decide on the best business idea (step 3). Now that the managers and leaders have developed the business plan, it is very important to *singautim ol manmeri memba long kam bek gen* for another *kibung* so that the members can understand the business plan, give their thoughts, and give the go-ahead. If you don't do this the members will start to say *ino moa samting bilong mipela. Opim ai bilong ol manmeri memba.* The principle of participation.

4.2 SINGAUTIM OL MANMERI MEMBA LONG KAM BUNG

1

Discussion

How will the final *kibung* (step 5) help the group to put the principle of participation into practice? Discuss this with your colleagues.

1

One reason that many businesses fail is because only the managers and leaders know what is happening. *Ol menesa na lida pulim ol manmeri memba raun olsem ai pas.* This is why the Government wants every organisation in PNG to put the principle of participation into their *kastom.* The more you put a *pasin* into practice the quicker it becomes a part of your *kastom.*

Another big reason why it is good to encourage participation is because if everyone is involved you get the full story. Remember the story of the elephant. Managers and leaders know a lot. But they don't know everything. Good managers and good leaders know that they don't know everything. Everyone has a blind spot.

The final *kibung* (step 5) will help the group to put the principle of participation into practice. Everyone in the group will have their eyes open *em wan. Na tu* you will have the full story. Managers and leaders don't know everything.

1

Discussion
With your colleagues, discuss who else the managers and leaders could invite to the *kibung* in step 5 to confirm the business plan?

1

There are other people that would be good to invite to the *kibung* in step 5. *Luk olsem* the same people you invited to the *kibung* to decide on the best business idea (step 3).

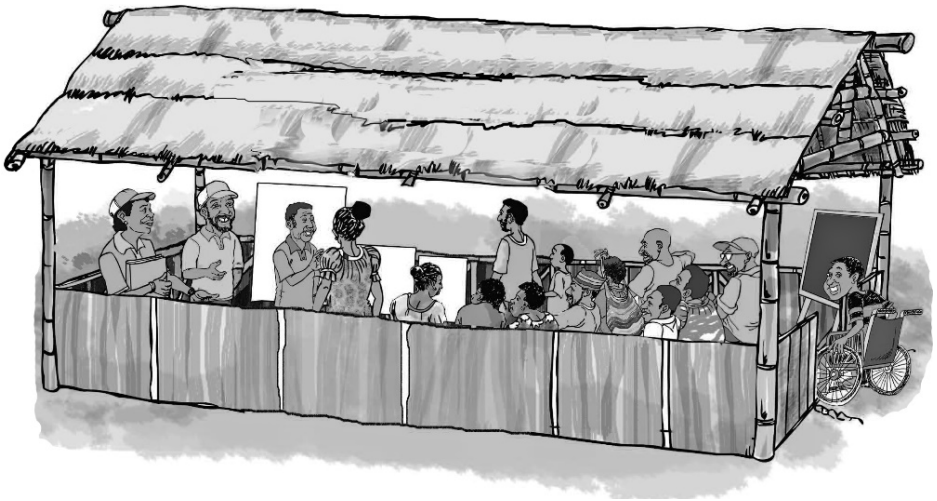
It would be good to invite the Ward Councilor and Ward Development Committee (or Ward Assembly) members. And it would be good to invite other community leaders. It is much better if the wider community knows about and supports your business.

It would be good to invite the health worker or a teacher or other retired professionals or other businesspeople who you trust. They may have ideas and suggestions to make.

It would be good to invite representatives from organisations that you work with (or that you want to work with). Companies or the Government or NGOs *o kain olsem*. They might have ideas and suggestions. Build up your relationship with them.

And think about inviting other groups that want to start a business, so they understand how to develop a business plan. If other businesses run properly, then it will also help your business to run properly.

Revision discussion
If the members of the group don't get a chance to understand what is in the business plan, give their thoughts, and give the go-ahead, what will happen?



STEP 5 CONFIRM the business plan

5.1 ***Tokim ol manmeri wanem as bilong kibung***

5.2 ***Putim bisnis plen long ples klia***

5.3 ***Kisim tok orait long ol manmeri memba long gohet na mekim***

5.4 ***Toktok long wanem ol neks step***

Step 5.1 | *Tokim ol manmeri wanem as bilong kibung*

2 hours

Materials Exercise book. Pen or pencil. Coursebook 3.

1

There are five steps a group needs to take to develop a business plan:

STEP 1 RESEARCH THE BUSINESS IDEAS

STEP 2 ANALYSE THE BEST BUSINESS IDEAS

STEP 3 DECIDE ON THE BEST BUSINESS IDEA

STEP 4 COMPLETE THE BUSINESS PLAN

STEP 5 CONFIRM THE BUSINESS PLAN

Time to start step 5. The last step. *Step 5 igat ol hap step tu long mekim.*

STEP 5 CONFIRM THE BUSINESS PLAN

5.1 TOKIM OL MANMERI WANEM AS BILONG KIBUNG
5.2 PUTIM BISNIS PLEN LONG PLES KLIA
5.3 KISIM TOK ORAIT LONG OL MANMERI MEMBA
5.4 TOKTOK LONG WANEM OL NEKS STEP

1

Discussion
Discuss with your colleagues who it is that should *go pas* to run the *kibung* to confirm the business plan?

1

Normally, the managers and leaders *go pas* to run the *kibung.* The Community Development Worker can help. Explain what to do. Show them how to do it. Do it with them. But never ever do it for them. *Em nau yupela klia pinis.*

Explain what to do. Show them how to do it. Do it with them. But NEVER EVER DO IT FOR THEM.

Step 5.1 | *Tokim ol manmeri wanem as bilong kibung*

2

Discussion
With your colleagues, discuss what you should do when you start a *kibung* to welcome everyone and make them feel comfortable?

2

Always start a *kibung* with a prayer, welcome everyone, then do introductions. *Pasin.*

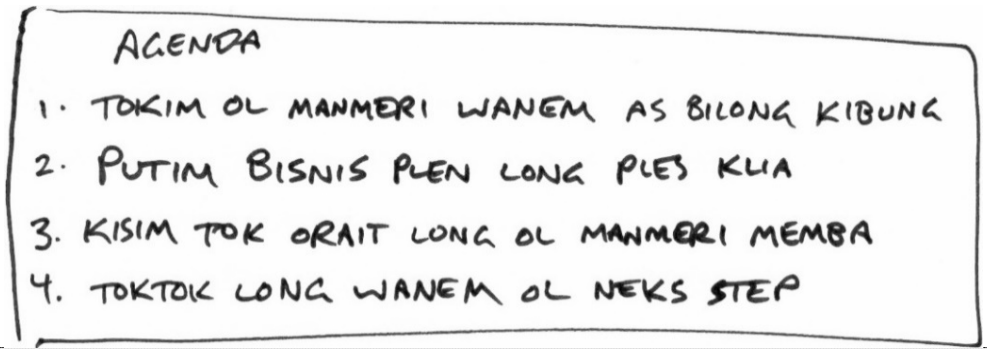
Next, you need to *tokim ol manmeri wanem as bilong kibung.* If you want everyone to have their eyes open, then they need to know the purpose of the *kibung. Em klia.*

5.1 TOKIM OL MANMERI WANEM AS BILONG KIBUNG

When you explain the purpose of the *kibung* you need to explain why the *kibung* is necessary and what will happen. *Bilong wanem na wanem samting. Putim long ples klia.*

Start by explaining **WHY** the *kibung* is necessary. The *kibung* is necessary so that all the members of the group can understand the business plan, give their thoughts, and give the go-ahead. CONFIRM the business plan. And explain again the five steps to develop a business plan so that everyone understands what is happening *pisin lukluk kam daun*.

Then explain **WHAT** everyone will do in the *kibung*. This is called the 'agenda'. An easy way to do this is to use the four *hap step* in step 5 as your agenda items.



2

Written answer **C**
Pretend that you and your colleagues are helping Betty and Benny to explain what the *kibung* is about *(5.1 Tokim ol manmeri wanem as bilong kibung)*. Practice how you would help them explain WHY the *kibung* is necessary and WHAT everyone will do in the *kibung*. Next, in your exercise book, write down 'step 5 CONFIRM the business plan', and then the four *hap step* for step 5 (5.1-5.4).

Revision discussion
How does it help if everyone in the *kibung* knows WHY the *kibung* is necessary and WHAT everyone will do in the *kibung?*

Step 5.2 | *Putim bisnis plen long ples klia*

2 hours

Materials Exercise book. Pen or pencil. Coursebook 3.

1

The purpose of the *kibung* is for everyone in your group to confirm the business plan. But they can't do this unless they understand it (and get a chance to ask questions and share their thoughts). Not everyone will understand everything. *Em orait. Em nomal.* But try your best to explain the plan.

5.2 PUTIM BISNIS PLEN LONG PLES KLIA

1

Discussion
Good communication is two-way. What does this mean? Discuss this with your colleagues. *Nogut yupela klia pinis.*

1

To help everyone understand the business plan, you will need to go through each section one by one.

Start by reading the instructions to everyone at the start of the business plan form.

Then begin section A (the first section). Read the instructions on the side of the business plan form first (so that they know what you know). Then explain what information you included in section A. When you have finished, do the same thing for each section one by one until you get to the end of the business plan.

A good idea is for the managers and leaders to take turns to explain each section. If they do this, it will be more interesting for everyone (and everyone will be more likely to remember what is said). And don't forget to ask and encourage questions. Good communication is two-way. *Tok tok mas igo ikam.* If you do this, it will be more interesting for everyone (and everyone will be more likely to remember what is said).

1

Discussion
One way to communicate effectively when you explain what is in the business plan is to make sure you ask and encourage questions. Good communication is two-way. Discuss with your colleagues other ways to communicate effectively so that everyone at the *kibung* understands what is in the business plan?

1

When you explain what is in the business plan, try your best to communicate effectively:

- ✓ Ask and encourage questions (good communication is two-way)
- ✓ Speak clearly and loudly enough to be heard
- ✓ Use *tok piksa* and *tok bokis* to help people understand
- ✓ Use a language that everyone understands (use a translator if necessary)

- ✓ Be careful to not talk down to the participants – talk to adults as equals
- ✓ Look confident and encouraging (body language and facial expressions)
- ✓ If you think it would help, use butcher paper or a blackboard or other materials
- ✓ Don't use big words that are too complicated. Don't use expensive English.

1

Discussion
When you explain what is in the business plan, don't use big words that are too complicated. Don't use expensive English. With your colleagues, look through the business plan form at the end of this coursebook and list 10 words that you think will be hard for *ol lain long ples* to understand.

1

People who use big words and expensive English when they know that other people won't understand them are either *bik het* – or they are hiding behind big words and expensive English because they don't really know what they are talking about.

A big problem in PNG is the gap opening up between the more educated people who know what to do (and like to show it) and the majority of people who don't. Your job as a Community Development Worker is to help close this gap.

Don't use big words and expensive English!

Make an effort to use words that most of the participants will understand. This might mean you have to find out what the words mean yourself – and then help the managers and leaders to understand what the words mean. If participants have to use their *kru pamkin* to understand your words, then they are not using their brain to understand what you are talking about. *Tingim.*

The business plan form tries to not use big words and expensive English wherever possible (or it explains what these words mean in the instructions on the side). But check. Your job is to *kliarim ol* not to *konfusim ol.*

1

Discussion
When you explain what is in the business plan, don't use big words that are too complicated. Don't use expensive English. *Em nau yupela klia pinis.* In the last activity, you came up with a list of 10 words you thought would be hard for *ol lain long ples* to understand. With your colleagues, discuss how you could explain what these 10 words mean in a way that *ol lain long ples* can understand.

Revision discussion
What will happen if you use big words and expensive English when you explain to everyone what is in the business plan?

Step 5.3 | *Kisim tok orait long ol manmeri memba*

2 hours

Materials Exercise book. Pen or pencil. Coursebook 3.

1

Hopefully, most of the members of the group understand most of the business plan. *Sapos olsem yu wok long opim ai bilong ol.* Nice.

But understanding the business plan is not enough. The members of your business organisation have to own it. *Ol tu mas kamap mamapapa bilong en.* For this to happen you must give everyone a chance to discuss the business plan, raise concerns, contribute ideas, and *tok orait.*

5.3 KISIM TOK ORAIT LONG OL MANMERI MEMBA

2

The Government wants every organisation in PNG – *olgeta femili na grup long ples na bisnis igo antap long Gavman* – to put into practice the principle of equality. *Pasin bilong lukim yu olsem narapela.* But to put into practice equality, you also need to put into practice equality and inclusion. *Tingim. Pasin bilong halavim na sindaun wantaim ol lain we yumi save abrusim long inapim ol wankain olsem narapela.*

There are two groups of people we need to make sure have the same choices and opportunities as everyone else (equity) and are included whenever decisions are made because they know best what help they need (inclusion). Women and youth. If women and youth don't catch-up then PNG won't develop. *Tok stret na tok klia.*

The kumul needs two wings to fly
The next generation needs to learn how to fly

2

Discussion

Discuss with your colleagues what you can do to include women and youth during a *kibung* so that they have their voices heard? Brainstorm. *Gespaia.*

Step 5.3 | *Kisim tok orait long ol manmeri memba*

2

Everyone who comes to a *kibung* needs to be included and have their voice heard. *Ol i kam sindaun nating ino gutpela. Ol i kona kona tasol ino gutpela.* To make sure women and youth are included and have their voices heard, try the following:

- ✓ **Help women and youth feel comfortable and supported**. Be friendly. Encourage questions. Say that all questions are good questions. Never be cross or tell people they are stupid or tell someone to *pasim maus*. You need to respect women and youth and you need to respect what they say.
- ✓ **Have rules**. Come up with rules that encourage good participation. *Kain olsem noken sakim o daunim tok.* It is best if the participants at the *kibung* come up with the rules themselves. *Ol yet ol i mamapapa bilong rul ol yet bai sanap antap long en.*
- ✓ **Put women and youth into small groups**. *Putim ol meri igo wantaim ol meri na man wantaim ol man. O long mekim gut tru brukim ol igo long yut man, yut meri, man, na meri. Mekim olsem nau ol bai pilim hamamas moa long toktok.*
- ✓ **Be careful of your language**. *Yumi klia pinis olsem long tok pisin 'man' em i minim olgeta - tasol sapos yu tok 'manmeri' em i moa beta.* Saying *'manmeri'* makes women feel like they are included.
- ✓ **Have woman and youth helping to run the *kibung***. If a woman is helping to run the *kibung* then it helps other women to get involved. If a youth is helping to run the *kibung* then it helps other youths to get involved AND it helps create the leaders of the future. *Yumi mas tingim senis bilong yumi.*
- ✓ **Make sure the timing suits men and women and youth**. Everyone has other work to do. If the timing for the *kibung* does not suit men or women or the youth, then *ol i no inap sindaun gut – ol bai wok long tingim ol narapela wok we ol sapos long mekim.*
- ✓ **Welcome babies and children.** When you invite people to come to the *kibung,* make sure you say that babies and children are welcome. It will make women feel like they are supposed to attend - and it will make it easier for them to attend. *Na stat long kibung tokim ol manmeri ol i pri long go autsait na stretim bebi na pikinini long laik.*

- ✓ **Think about the location**. *Sampela hap bilong wokim kibung igat kastom bilong toktok. Sapos yupela ronim kibung long kain hap olsem nogut ol meri na ol yut ol I pilim pret long toktok. Na tu hap bilong kibung mas i ples sef na ples klin na igat gutpela toilet na wara.*
- ✓ **Give women and youth important jobs to do during the *kibung***. For example, make a woman or a youth the timekeeper or the person who says the prayer, or the person who rings the bell.
- ✓ **Get support from local leaders**. *Lida save gut tru long kastom na hau long toktok.*
- ✓ **Show everyone that it is okay to make mistakes**. If everyone is happy to make mistakes, then it will help women and youth to speak up and say what is on their mind. Laugh when you make a mistake – don't be a *bik het* and try to cover it up.

Step 5.3 | *Kisim tok orait long ol manmeri memba*

3

The members of your business organisation have to own the business plan. *Ol tu mas kamap mamapapa bilong en.* For this to happen you must give everyone a chance to discuss the business plan, raise concerns, contribute ideas, and *tok orait.*

If you want to make sure that women and youth have their voices heard then a good idea is to split everyone into smaller groups – *meri, man, yut meri, yut man* – to discuss the business plan. Then get each small group to report back what they discussed. Their concerns. Their ideas. Then get everyone together to have a final discussion to see if everyone is happy to proceed with the business plan.

3

Discussion

With your colleagues, discuss what you should do if some of the members are not happy to proceed with the business plan?

3

If some of the members aren't happy to proceed with the business plan, then talk more. Hopefully *toktok bai mekim.* You can always adjust the business plan.

If necessary, you can put it to a vote. Voting is okay, but voting means you end up with winners and losers. If you need to put it to a vote, then ask women members to *soim han pastaim.* It is best to do this because some women find it hard to *agenstim man bilong ol na ol lida man.*

O yu ken mekim hait vot.

But if everyone isn't happy with the business plan it might be better to delay making a decision. Collect more information. Check the business plan again. Give everyone more time to think about it. Don't start a business if there is disagreement. *Wanbel mas i stap.*

3

Written answer **D**

It is important that women and youth also have the chance to discuss the business plan, raise concerns, contribute ideas, and *tok orait.* In your exercise book, write down 10 good ideas that will help to make sure women and youth are included and have their voices heard during a *kibung.*

Revision discussion

Why do you need to give *ol manmeri memba* the chance to discuss the business plan, raise concerns, contribute ideas, and *tok orait?*

Step 5.4 | *Toktok long wanem ol neks step*

2 hours

Materials Exercise book. Pen or pencil. Coursebook 3.

1 Hopefully *ol manmeri memba givim tok orait long bisnis plen bilong ol.* Step 5 of *kamapim bisnis plen* is almost finished. But before you end the *kibung* you need to talk about what the next steps are with everyone otherwise *ol bai stat long ai pas gen.* Everyone should always leave a *kibung* knowing what will happen next.

5.4 TOKTOK LONG WANEM OL NEKS STEP

1

Discussion
With your colleagues, discuss what could be some of the next steps after the *kibung* is finished?

1 If the members were not happy to proceed with the business plan – if there were problems – then a next step might be to make some changes and then get everyone to come back for another *kibung* to do step 5 again. Or maybe the next step is to go back to step 1 and start the whole thing again (hopefully not).

If the members are happy, but the group wants to develop an organisation profile (vision/missions/priorities) or a good governance policy (constitution), then talk about who will do what and when.

If the members are happy to proceed, and the group don't need a loan or a grant to help start the business, then the next step might be to begin. *Statim.* Talk about who will do what and when. Next steps.

If the group needs to apply for a loan or a grant, then the next step might be for the managers and leaders to market the business plan. Talk about who will do what and when. But make sure everyone has a realistic understanding of the chance of success. This might mean you need to lower expectations. It is hard to lower expectations, especially if everyone is full of enthusiasm. Don't say definitely the group will get a loan. Don't say definitely the District will help. Don't say everyone will become rich. Just don't. If everyone's expectations are too high then the fall is hard. They lose respect for whoever raised their expectations. Even worse, they give up.

1

Discussion
At the end of this coursebook there is a section called 'What to do with your business plan (if you want to get a loan)'. It contains information on how banks work and how loans work. It also explains key questions to ask lenders if you want to get a loan. With your colleagues, have a look at this information. *Lukluk tasol*

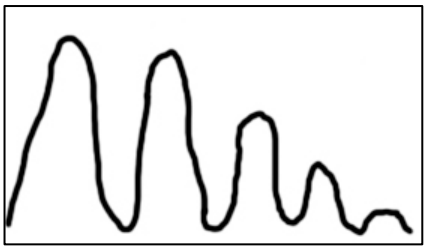
2 *Kamapim bisnis plen* is finished. The business plan is finished. *Longpela wokabaut liklik.*

But the walk for the group is just beginning. Before the *kibung* ends, *givim sampela las toktok long ol long strongim wokabaut bilong ol.* Tell everyone that a strong and healthy tree grows slowly. *Bisnis tu wankain.* Don't try and grow your business too quickly. *Malomalo diwai save gro hariap tasol em save pundaun hariap. Strongpela diwai save gro isi isi na em save stap longpela taim.*

Malomalo diwai save gro hariap tasol em save pundaun hariap
Strongpela diwai save gro isi isi na em save stap longpela taim

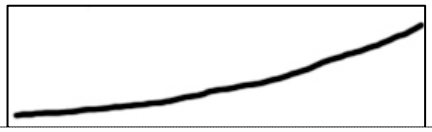
Planti stori bilong bisnis ino gutpela stori tumas. Lots of businesses in PNG (big and small) try and grow too quickly. *Malomalo diwai.* If you are this kind of business, then you will always be up and down. *Laki taim bai yupela sanap – tasol taim nogut bai yupela pundaun bek gen long stat o bagarap olgeta.*

To help everyone see what you are saying, draw the picture below on butcher paper or the board – or use a stick on the ground – or just draw in the air with your finger. This picture shows that a business can climb the mountain very quickly if they are lucky (or the prices are good), but as soon as the money or the opportunity finishes, they crash back to where they started. If this happens a few times, then people start giving up. *Nogat gutpela hanmak. Em hat. Malomalo diwai.*



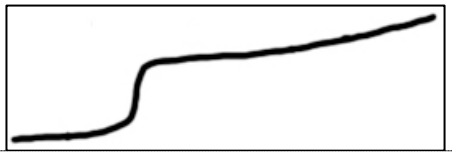
But if you are the sort of organisation that tries to grow like a strong and healthy fruit tree it will be different. If there is enough *gris moni* to *strongim bek ol brans,* and you have *prut long kaikai,* and you have savings left over *long putim gris igo bek long graun,* then your business will grow each year like a strong and healthy fruit tree. You will grow slowly at first. It always takes a few years before a fruit tree starts to *karim*.

To help everyone see what you are saying, draw the picture below on butcher paper or the board – or use a stick on the ground – or just draw in the air with your finger. The picture below is a strong business. *Strongpela diwai.* This picture shows that those businesses that grow like a strong and healthy fruit tree climb the mountain slowly – but they don't crash back down. And as they slowly get stronger, they can begin to climb faster. Grow until you have enough fruit each year to meet your needs. You don't need to take over the world. *Inap.*



And if you are the sort of business that tries to grow each year like a strong and healthy fruit tree then you are more likely to get a loan or a grant or other forms of support – from a bank or the Government or an NGO or a company or *kain olsem. Ol save laik long wokabaut wantaim kain bisnis olsem. Ol tu ol les long troim wei koins nating.*

To help everyone see what you are saying, draw the picture below on butcher paper or the board – or use a stick on the ground – or just draw in the air with your finger. The picture below is a strong business. *Strongpela diwai.* This picture shows that businesses that grow like a strong and healthy fruit tree climb the mountain slowly. And as they slowly get stronger, they can begin to climb faster. And if they get support from other organisations then they can make jumps. But be careful – make sure you can cover the running costs and maintenance costs of any jumps that you make. *Strongim bek pastaim.* If you don't do this, you will start to slide back down. Grow until you have enough fruit each year to meet your needs. You don't need to take over the world. *Inap.*



2

Discussion
With your colleagues, practice explaining why it is important to not try and grow your business too quickly.

3

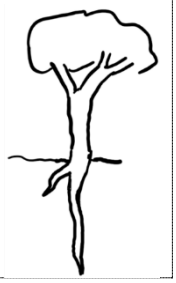
Before the *kibung* ends, also talk about how the group can strengthen their roots.

Many businesses start by selling one type of product – *meri blaus o kain olsem* – then over time they grow and sell different types of products. Hot scones or sewing machines. They grow more roots. *Gutpela.* In *tok bisnis* growing more roots is called 'diversifying' your business. Different = diverse = diversify.

A tree with more roots is better able to survive *long taim nogut.* If one root dries up or is cut, then there are still other roots *long grisim bek diwai.*

Tingim gaden. If you have different crops growing in your garden, then there is more chance that you will get through a frost or a drought or *long taim binatang nogut kam insait.*

But you can also have a good business just selling one type of product. A tree with one deep root (and one root for carry-over balance) can also survive *long taim nogut* as long as the root is deep and strong.



Grow until you have enough fruit each year to meet your needs. You don't need to take over the world. *Inap.*

Step 5.4 | *Toktok long wanem ol neks step*

Save moa yet
In *tok bisnis,* each main way of getting income (each root) is called an income stream. Remember that a supply chain is like a river – upstream and downstream. If you have different income streams (different roots) then it is like having *planti ol han wara ikam bungim bikpela wara. Sapos igat planti ol han wara ikam bungim bikpela wara, bikpela wara em save flo gut. Tingim.* But *wanpela han wara tu em orait sapos em bikpela liklik. Tingim.* Income streams.

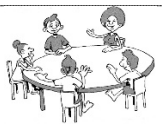
4

Coursebook 3 is finished. This coursebook has given you the skills and knowledge to work with a group to do step 4 and step 5 of *kamapim bisnis plen*. Make sure you keep this coursebook so you can refer to it when you need to help a group to do it. *Olsem na noken putim long liklik ofis. Noken boilim na kaikai. Noken tainim brus. Putim gut.*

And you have the exercise book you used to write down your answers during the course. It is full of ideas and notes to help you put step 4 and step 5 into practice. *Putim gut*. How you work with the group to develop the business plan will be up to you (and your organisation). At the end of the coursebook, there is a tool kit of resources which you may find useful when you work with the group to do step 4 and step 5. *Tasol yu yet.*

You (or your organisation) might even want to develop your own tool kit of resources to use when you work with the group to do step 4 and step 5. That is how it should be. Fit.

4



Discussion
With your colleagues, have a look at the tool kit of resources at the end of this coursebook. Would you use any of the resources to help you? Which ones? When and how? What other resources would be good to have to help you do it?

4

Fantastic work. Now you know how to help a group to develop a business plan. Job done. *Kilim pik.*

If you want to keep helping the group *taim ol i stat long wokabaut na mekim,* then have a look at the *strongim grup* coursebooks on the inside cover of this coursebook. They might give you ideas for what more you could do to help *strongim wokabaut bilong ol. Tasol yu yet.*

4

Written answer **E**
The final thing to help the managers and leaders do in the *kibung* is *toktok long wanem ol neks step (hap step 5.4)*. Next, in your exercise book, write down 3 examples of next steps that a group might want to take following the *kibung.*

Revision discussion
Why is it important to talk about what the next steps are with everyone before you end the *kibung?*

Evaluation

Written answer F

Congratulations. You have finished coursebook 3. Time to evaluate coursebook 3. This is not a test. The purpose of these questions is for you (and your organisation and the course facilitator) to evaluate the learning experience that you have been through. With your colleagues, answer the questions below. Don't forget to write your answers in your exercise book.

1. What are you still most confused about?
2. What did you find the most useful? Why?
3. What change do you recommend to improve the course or the coursebook?
4. What advice can you give to the course facilitator to help them learn lessons?
5. What more support do you need from your organisation (or the course facilitator) to help you put what you have learned into practice?
6. Any other comments?
7. Use the rating scale below to rate overall how well you understand how to help a group to do step 4 COMPLETE the business plan.
8. Use the rating scale below to rate overall how well you understand how to help a group to do step 5 CONFIRM the business plan.
9. Use the rating scale below to rate overall how well you understand how to help a group to develop a business plan (steps 1-5).

Putting it into practice

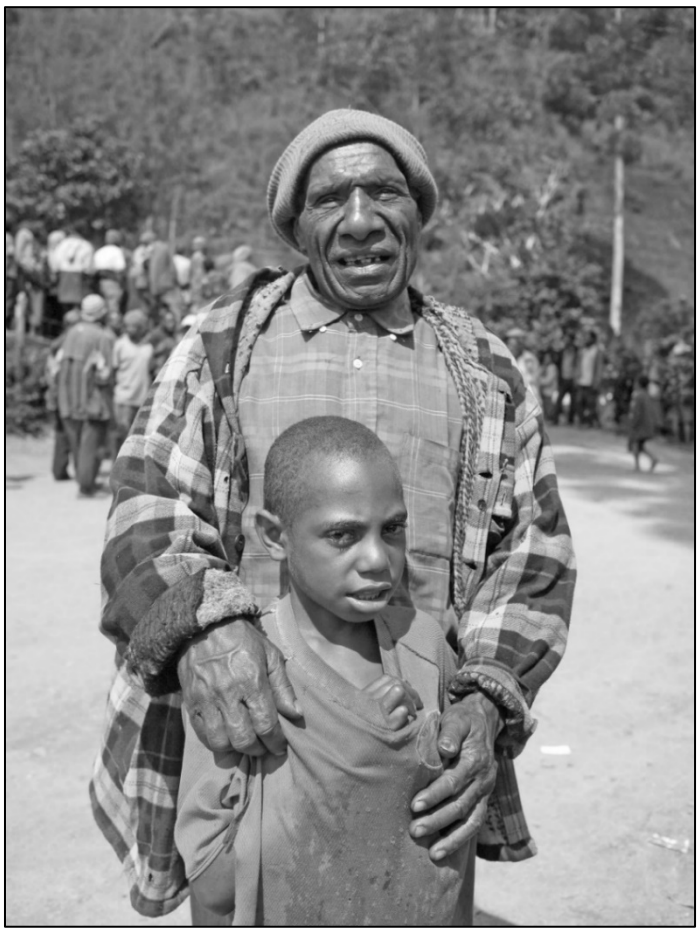
Putting it into practice

The best way to learn how to do step 4 COMPLETE the business plan is to do it yourselves. At the end of coursebook 1, you were asked to go out and do market research for a business idea. *Tingim.* At the end of coursebook 2 you were asked to complete the business analysis for this idea. *Tingim.* Now it is time to complete the business plan for this idea. *Yu mekim olsem em bai kam klia gut tru.* Use this coursebook and the notes you made in your exercise book to help you. *Traim tasol.* Put it into practice.

Your course facilitator may ask you to include what you come up with in your course exercise book. If your organisation wants you to do this they will let you know.

But you should do it anyway. Put it into practice. *Mekim gut.*

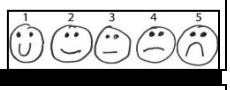
The best way to learn is by doing it. Learning from experience. If you put it into practice yourselves, it will be easy when it comes time to help a group to develop a business plan.



Tool kit
for Community Development Workers

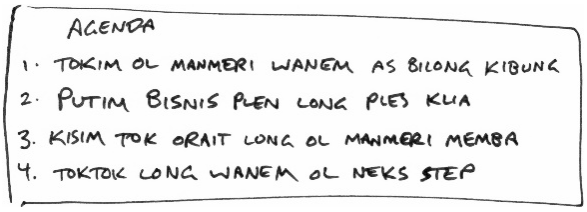
- **Steps for Community Development Workers**
- **How to run a *kibung* with the members of a group to CONFIRM the business plan**
- **Three ways for a business to grow**
- **What to do with your business plan (if you want to get a loan)**
- **Betty and Benny's business plan**
- **Business plan form**

Steps for Community Development Workers

	Kibung. *Before* you start, help the managers and leaders to run a *kibung* with the group (and other community leaders). Explain the five steps *na ol hap step.* Explain your role. *Putim olgeta samting long ples klia.*
STEP 1 **RESEARCH**	***Bungim ol bisnis aidia.*** Help the managers and leaders put together a few good ideas for a business. Never ever tell them what to do. And make sure they listen to what the members of the group think.
	***Raun na wokim wok painimaut* (market research).** Help the managers and leaders to go out and answer the questions for the eight market research topics. Explain what to do. Show them how to do it. Do it with them. But never ever do it for them.
	Skelim gut ol bisnis aidia long painim wanem ol aidia wok long go pas. Give a score for the eight market research summary questions. Total the scores for each idea. Find the top two or three business ideas. 
STEP 2 **ANALYSE**	***Glasim gut ol bisnis aidia we i wok long go pas* (business analysis).** Help the managers and leaders to do the seven parts of a business analysis. Explain what to do. Show them how to do it. Do it with them. But never ever do it for them.
	Singautim ol manmeri memba long kam bung. The next step (step 3) is a *kibung* for the members of the group to decide which business idea is best. The managers and leaders need to invite all of the members. Definitely. Make sure they know why.
STEP 3 **DECIDE**	***Tokim ol manmeri wanem as bilong kibung.*** Step 3 *kirap pinis. Kibung kirap pinis*. The first thing to do is help the managers and leaders to explain WHY the *kibung* is necessary and WHAT will happen in the *kibung. Bilong wanem na wanem samting.*
	Kliarim ol manmeri long ol bisnis aidia we i wok long go pas. If the members are going to make a good decision about which business idea is best, they need to know what you found out from the market research and the business analysis. *Kliarim ol gut tru.*
	Ol manmeri memba wokim disisen long wanem bisnis long mekim. Time for the members to make a decision. Help the managers and the leaders to *kamapim wanbel.* Don't forget to make sure that women and youth have their voices heard.
	Toktok long wanem ol neks step. The final thing to do before the *kibung* ends is make sure the managers and leaders tell everyone what will happen next. The next step is COMPLETE the business plan. The final step is CONFIRM the business plan.
STEP 4 **COMPLETE**	***Wokim bisnis plen.*** Help the managers and leaders to complete each section in the business plan. Check if any attachments need to be developed to include with the business plan (you may need to develop them with all of the members later).
	Singautim ol manmeri memba long kam bung. The next step (step 5) is a *kibung* to help the members understand the business plan, to give them a chance to ask questions and share ideas, and for everyone to give the go-ahead to proceed.
STEP 5 **CONFIRM**	***Tokim ol manmeri wanem as bilong kibung.*** Step 5 *kirap pinis. Kibung kirap pinis*. The first thing to do is help the managers and leaders to explain WHY the *kibung* is necessary and WHAT will happen in the *kibung. Bilong wanem na wanem samting.*
	Putim bisnis plen long ples klia. Go through the business plan section by section so everyone understands it. Ask and encourage questions. Don't use big words and expensive English. It is best if managers and leaders take turns to explain each section.
	Kisim tok orait long ol manmeri memba long gohet na mekim. Everyone needs the chance to discuss the business plan, raise concerns, contribute ideas, and *tok orait.* Don't forget to make sure that women and youth have their voices heard.
	Toktok long wanem ol neks step. The business plan is now finished. Before the *kibung* ends explain what will happen next. Open everyone's eyes. Manage expectations. *Na troimwe sampela las toktok long strongim wokabaut bilong ol.*

How to run a *kibung* with the members of a group to confirm the business plan

Tokim ol manmeri wanem as bilong kibung. Start by explaining **WHY** the *kibung* is necessary. The *kibung* is necessary so that all the members of the group can discuss the business plan, raise concerns, contribute ideas, and *tok orait.* CONFIRM the business plan. Then explain **WHAT** everyone will do in the *kibung*. This is called the 'agenda'. An easy way to do this is to use the four *hap step* in step 5 as your agenda items.



Putim bisnis plen long ples klia. Go through the business plan section by section so everyone understands it. Ask and encourage questions. Don't use big words and expensive English. It is best if managers and leaders take turns to explain each section.

If most of the members understand most of what is in the business plan, then you have done an excellent job.

Kisim tok orait long ol manmeri memba long gohet na mekim. All of the members need the chance to discuss the business plan, raise concerns, contribute ideas, and *tok orait.* Don't forget to make sure that women and youth have their voices heard.

A good idea is to split everyone into smaller groups – *meri, man, yut meri, yut man* – to discuss the business plan. Then get each small group to report back what they discussed. Their concerns. Their ideas. Then get everyone together to have a final discussion to see if everyone is happy to proceed with the business plan.

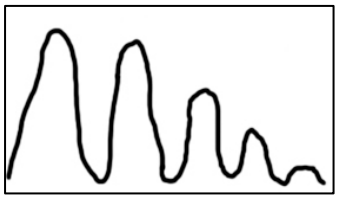
Toktok long wanem ol neks step. Luk olsem the business plan is now finished (hopefully). The next step might be to market the business plan (if the group needs a loan or a grant). If they don't need a loan or a grant, then the next step might be to start-up the business. If there was a problem, then the next step might be to collect more information about the business idea, or to go back to step 1 and look at other business ideas.

Before the *kibung* ends explain what will happen next. Open everyone's eyes. Manage expectations. *Na troimwe sampela las toktok long strongim wokabaut bilong ol.*

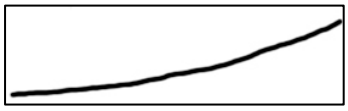
Three ways for a business to grow

Planti stori bilong bisnis ino gutpela stori tumas. Lots of businesses in PNG (big and small) try and grow too quickly. *Malomalo diwai save gro hariap tasol em save pundaun hariap. Strongpela diwai save gro isi isi na em save stap longpela taim.*

There are three ways for a business to grow:



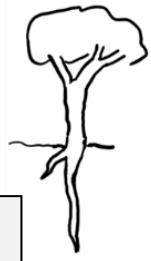
Malomalo diwai. If you are this kind of business, then you will always be up and down. *Laki taim bai yupela sanap – tasol taim nogut bai yupela pundaun bek gen long stat o bagarap olgeta.* This picture shows that a business can climb the mountain very quickly if they are lucky (or the prices are good), but as soon as the money or the opportunity finishes, they crash back to where they started. If this happens a few times, then people start giving up. *Nogat gutpela hanmak. Em hat. Malomalo diwai.*



Strongpela diwai. But if you are the sort of organisation that tries to grow like a strong and healthy fruit tree it will be different. If there is enough *gris moni* to *strongim bek ol brans*, and you have *prut long kaikai,* and you have savings left over *long putim gris igo bek long graun*, then your business will grow each year like a strong and healthy fruit tree. You will climb the mountain slowly at first. It always takes a few years before a fruit tree starts to *karim*. But you won't crash back down. And as you slowly get stronger you can begin to climb faster.

And if you are the sort of business that tries to grow each year like a strong and healthy fruit tree then you are more likely to get a loan or a grant or other forms of support – from a bank or the Government or an NGO or a company or *kain olsem. Ol save laik long wokabaut wantaim kain bisnis olsem. Ol tu ol les long troim wei koins nating.* When you get support from other organisations you can make jumps. But be careful – make sure you can cover the running costs and maintenance costs of any jumps that you make. *Strongim bek pastaim.* If you don't do this, you will start to slide back down.

As your business grows, grow your roots. Many businesses start by selling one type of product – *meri blaus o kain olsem* – then over time they grow and sell different types of products. Hot scones or sewing machines. They grow more roots. *Gutpela*. A tree with more roots is better able to survive *long taim nogut.* If one root dries up or is cut, then there are still other roots *long grisim bek diwai. Tingim gaden.* If you have different crops growing in your garden, then there is more chance that you will get through a frost or a drought or *long taim binatang nogut kam insait.*



But you can also have a good business just selling one type of product. A tree with one deep root (and one root for carry-over balance) can also survive *taim nogut* as long as the root is deep and strong. *Tingim.*

Las tok. Grow until you have enough fruit each year to meet your needs. You don't need to take over the world. _Inap_.

What to do with your business plan (if you want to get a loan)

If you have completed the business plan at the end of business planning coursebook 3 (this coursebook), one option for you is to use your business plan to try and get a loan from a lender (normally a bank or financial organisation). Lenders can only give loans if they think the business plan (and the business that needs the loan) will work out. The business plan you completed has all the information a bank or financial organisation needs to make a decision.

How banks and finance organisations work

Banks are businesses. They encourage people to deposit their money in a savings account. The bank then uses the money that has been deposited to give out loans. The bank makes money because when the loan is repaid, the bank charges extra money *antap*. In *tok benk* this *antap moni* is called **INTEREST**. 'Interest' is really the fee that you pay the bank for using their money. This 'interest' is how banks make a profit. And each month the bank then pays part of the profit they made from the 'interest' into the savings accounts of the people who deposited their money in the bank in the first place – and this encourages more people to deposit more money for the bank to give out more loans. *Benk em save wok olsem.*

Some banks are called 'development' banks (for example, PNG's National Development Bank). Development banks use the Government's money to give out loans. But don't forget the Government's money is your money. The PNG Government is just a big organisation – the biggest organisation in PNG. We all pay taxes to the Government. Tax is your membership fee. *Tingim.* The leaders of the Government organisation (the Members that we elect) and the managers of the Government organisation (the Public Service) then use tax money to help *ol manmeri PNG. Gavman em save wok olsem.*

Wanpela bikpela wok mak bilong ol benk is that they can only give loans if they think the loan can be repaid. The PNG Government *save putim ai gut* to make sure that banks put this *wok mak* into practice. The Government wants to make sure that loans help *ol manmeri PNG* – if people and businesses and organisations get loans that don't work out *em save bagarapim ol gut tru.* Banks also want to *kisim gutpela nem* so that more people deposit money in savings accounts (so they can give out more loans).

Some lenders use their own money to give out loans (not money that belongs to people who have deposited money in a savings account or money that belongs to the Government). Some of these lenders are 'mushroom' lenders – here today in the good times but gone tomorrow. Be careful of these lenders. They just want to make money quickly. These lenders charge much higher 'interest' *antap*. And if you can't pay back the loan, they will take the shirt off of your back (or the ground from under your feet). If a lender puts pressure on you to get a loan, then walk away. *Tok stret na tok klia.*

What to do with your business plan (if you want to get a loan)

How loans work

A loan is a *dinau*. It is not free money. You pay for it. On the next page, there are some questions you should ask a lender before getting a loan. But first, let's learn some *tok benk*.

If you apply for a loan and you are successful, the money that you borrow (the money that you applied for) is called the **PRINCIPAL**. 'Principal' means *go pas*. The principal of a school is the person *husat save go pas*. The principals of a business are the people *husat save go pas*. *Tingim*. The 'principal' amount that you receive from the lender is the *go pas* amount. *Tok benk em olsem*.

When you repay the loan, you will need to make regular payments to the bank. Normally, repayments are monthly (each month). Although sometimes banks allow fortnightly repayments (every two weeks) or quarterly repayments (every three months). In *tok benk* the amount you have to repay each month is called an **INSTALMENT**. When you pay an instalment, you will need to repay part of the 'principal' amount and also a fee *antap* to the bank for using their money. This fee *antap* is called **INTEREST** *em nau yu save pinis*.

The length of time you need to repay the loan is called the **TERM** of the loan. If the term of the loan is between 6 months and 60 months (for example) it means you can choose to repay the loan amount over 6 months or over 60 months (or over any term in between). If you can repay the loan quickly then the instalment (part of the 'principal' plus 'interest') you repay each month will be higher – but because you only have the bank's money for a short time the fee they charge *antap* (the 'interest') will be less. Nice. However, if you want more time to pay back the loan then the instalment you pay each month should be lower (because payments are spread out over more months) – but because you have the bank's money for longer the 'interest' *antap* will be much higher. Poo. Be very careful, if you take a long time to pay back the loan, in the end the 'interest' *antap* can be more than the 'principal' amount you borrowed in the first place.

If someone asks you for a *dinau*, then you should ask them what they will give you if they can't pay back the loan. Will they give you their mobile phone *o digim gaden o brukim paia o kain olsem?* Banks have to do the same thing. In *tok benk* what you offer to give the bank if you can't pay back the loan is called **SECURITY**. You have to identify big things you own (called 'assets') like private land or a building or a car or have cash in a bank account (called 'equity' or sometimes 'liquid assets'), that together add up to more than the total value of the loan you want. If the value of your 'security' *inapim mak*, the bank calls the loan a 'secured' loan. The bank will help you to value your assets - but it helps if you kept the receipts when you first bought your assets (and keeping receipts also shows the bank that you are organised).

If your business cannot pay the loan instalments each month, then the bank will work with you to try and find a solution. But in the end, if your business fails, anything you list as security can be taken by the bank. Don't list a 'security' that you are not prepared to lose. Getting a loan is always a risk. Things go wrong. *Tok stret na tok aut*.

What to do with your business plan (if you want to get a loan)

It is sometimes possible to list a **GUARANTOR**. A guarantor is someone else who promises to pay back the loan for you if you can't. The guarantor needs to list their assets and cash in a bank account as 'security'. Normally, you would need to promise the guarantor something *long ples* that has the same value as the assets or equity that they list. But be very careful – if things don't work you will get into trouble with both the bank and the guarantor. Sometimes banks will allow you to get a small loan without any 'security' – provided you have a good business plan. But if this happens, the 'interest' rate they will charge will be much higher because the loan is a bigger risk (which mean they want more profit to make up for it).

QUESTIONS YOU SHOULD ASK LENDERS IF YOU WANT TO GET A LOAN

1. **What loan is suitable for us?** *Askim ol.* Banks and financial organisations have different loans for different purposes. Some loans are for people (called 'personal' loans). Some loans are for businesses (called business loans). Often banks and the Government say 'enterprise' instead of business. *Wankain samting.* They say "SME" (**S**mall and **M**edium **E**nterprise) or even "MSME" (the 'M' at the front stands for **M**icro or 'very small'). If you are a smallholder farmer *long ples* then you are either a 'micro' or a 'small' enterprise. Both SME loans and MSME loans are for you. *Tok save tasol.*

2. **How much can I borrow?** *Askim ol.* The highest amount you can borrow (called the 'maximum' amount) and the lowest amount you can borrow (called the 'minimum' amount) is set by the lender. *Tok aut na tok stret* it is much better to use your own savings or contributions instead of getting a loan if you can, but if you need to borrow money then definitely don't borrow more than you need. A loan is not free money. The total 'interest' you pay *antap* can be more than the 'principal' amount you borrowed in the first place. Never ever get a new loan to help pay back another loan. This is a very high risk. *Em mak bilong bagarap olgeta.* Good banks and finance organisations know this – only bad lenders will encourage you to borrow too much or pressure you to get a new loan to pay back a loan.

3. **What do I need to get the loan (requirements)?** *Askim ol.* Each type of loan will have different things you need to provide so that the bank or finance organisation can *skelim gut* your application. What any good bank or finance organisation wants to know is that you have a well-thought-out plan for your business. If you show them a business plan like the one in business planning coursebook 3 *ol bai kirap nogut.* Good banks and finance organisations also want to know that you will be able to repay the loan. You might need to provide evidence of your income (bank statements or a letter from an employer or buyer), and you will need to provide the bank with 'security' *em nau yupela klia pinis*.

4. **What is the term of the loan?** *Askim ol.* If the term of the loan is between 6 months and 60 months (for example) it means you can choose to repay the loan over 6 months or over 60 months (or over any term in between). If you can repay the loan quickly it is better (if you can afford the higher instalments) because you pay much less 'interest' *antap.* Don't forget, the longer you have the banks money the higher the 'interest' *antap*. If you take a long time to pay back the loan, the 'interest' *antap* can be more than the 'principal' amount you borrowed in the first place. To help you decide what term is best for you, you first need to find out what the interest rate is. This is the next question.

What to do with your business plan (if you want to get a loan)

What is the interest rate on the loan? *Bikpela askim.* 'Interest' is really the fee that you pay the bank for using their money. Interest rates are always given as a per cent (%). Some 'interest' rates on loans are "per annum" (for each year). Some interest rates on loans are "per month" (for each month). If you want to compare loans, you can turn a "per annum" interest rate into a "per month" interest rate by dividing it by 12 (there are 12 months in a year) or you can multiply a "per month" interest rate by 12 to give you a "per annum" interest rate. Or just ask the bank to do it for you. So good so far. If the interest rate is 4% 'per month' (for example) it means that every month the bank will add 4% *antap* to the amount you have to repay. How interest rates are calculated is very complicated and it all depends on the loan. *Noken bisi.* The best thing to do is ask the bank to (1) write down (and give you) what the "total repayment" will be ('principal' plus 'interest') for the different terms you are considering, and (2) write down (and give you) what the monthly instalments will be for the different terms you are considering. For example, if you want to borrow K5000 and you are considering a term of 24 months or 48 months, then for both terms, ask them to write down (and give you) what the total repayment would be and what the monthly instalments will be for both terms. *Noken guria. Ol benk manmeri bai hamamas long bekim gut wanem askim yu laik askim bilong wanem benk tu les long troimwe moni nating.* The more questions you ask, the more the bank will have confidence that you are good with money. *Ol bai luksave olsem yu tu yu les long troimwe moni nating.*

Save moa yet. Per cent (%) can be broken into "per" and "cent". "Per" means 'for each' *yu save pinis.* "Cent" means 100 (*tingim* century which means 100 years). This tells you that 10% means "10 for each 100". 5% means "5 for each 100". 2% of K200 means "K2 for each K100" which equals K4 (K2 for the first 100 plus K2 for the second hundred = K4). Let's look at an example. If you have a loan and the interest rate is 4% per month, then each month the bank will look at how much you still need to repay. If you still need to repay K2000 then the bank charges you a fee of "K4 for each K100" (4%). The bank divides K2000 by 100 (to give the number of 100s in K2000) = 20. And then they multiply 20 by K4 = K80.

How does the loan repayment work? *Askim ol. Luk olsem* you will need to instalments each month ('principal' plus 'interest'). You need to know what happens if you can't repay the loan. If you can't repay the loan this is called 'defaulting' on the loan. What will the lender do if you 'default' on a repayment? A good bank or finance organisation will help you as much as they can – they will rearrange payments or extend the term of the loan *o kain olsem.* But it is still sensible to ask the bank or finance organisation what happens to the things you listed as security if you can't pay back the loan. *Ples klia.*

Are there any fees? *Askim ol.* 'Interest' *antap* is a fee *em nau yumi lukim pinis.* Many lenders also charge other fees. Some lenders charge lower fees but higher interest rates. To compare what two different loans will cost you, add up the total fees and interest rate charges first, and then compare.

Can I trust you? *Askim ol yu husat? Gavman givim tok orait long yupela o nogat?* Good banks and finance organisations want you to ask this question because bad lenders give good lenders a bad name. If you feel pressure from the lender to borrow money then walk away. If they don't answer your questions properly then walk away. *Tok gris pulap noken dilae givim beksait long ol.* Run!

What to do with your business plan (if you want to get a loan)

The 8 questions on the previous two pages should give you the information you need to decide whether to get a loan or not, which loan is best, how much to borrow, and what term of the loan is best for you. When you think about how much to borrow and what term of the loan is best for you, it helps to have a business plan. Definitely. A business plan shows how much money you really need to borrow (never borrow more than you really need), and it should show how long before your business *stat long karim gut* (so you can pay back the loan).

It is a good idea to get a small loan first, pay it back, and then get a second loan. It is easier to get second loans (and easier to get a lower 'interest' rate) if you have already successfully paid back a loan. *Yu kisim nem pinis.* And anyway, it is better to grow your business slowly. *Malomalo diwai save gro hariap tasol em save pundaun hariap. Strongpela diwai save gro isi isi na em save stap longpela taim.*

Las tok. Don't forget to discuss getting a loan with everyone in your family or group, men and women. And try and involve youth. The *kumul* needs two wings to fly. And the next generation needs to learn how to fly. Banks and financial organisations know that if everyone in your family or business or organisation supports the loan, and knows what it is for, then the loan (and the family or business or organisation) is more likely to work out.

Over to you. Getting a loan is lots of leg work. *Kain kain go ikam.* Good luck.

If the banks and financial organisations listed below don't have a suitable loan for you, then ask them if there are any other banks or financial organisations that have something better. *Askim na yu bai save.* And it is also a good idea to visit the Governor's office or the Commerce office your District Commerce Officer. They will help. *Em wok bilong ol.*

Call MiBank nationwide on 3233386
Call National Development Bank (NDB) nationwide on 70908281
Call Women's Micro Bank nationwide on 70910900
Call BSP nationwide on 3201212 or 70301212
Call Westpak nationwide on 3220888 or 3220713
Call Kina Bank nationwide on 3083800 or 1801525

Betty and Benny's business plan

This business plan form is for starting a new business. Complete this business plan form in pencil, then do the final version using black or blue pen. This form can be submitted to any finance organisation. This form can also be used to plan your new business even if you do not need outside help (if this is the case you don't need to complete sections T and U). There is training available to help you complete this form (ask the finance organisation you plan to give the form to for more information). No finance organisation expects you to have all the answers. What they expect is that you be honest and open with them. *Tok stret na tok klia em tu em samting bilong skelim.* If you need more space to answer any of the sections below, then write "see attachment" and include it as an attachment (and say clearly which section the attachment is for). The more information you provide about your business idea the better, so feel free to include any other attachments.

A. DETAILS OF PROPOSED BUSINESS

What is your business idea?
A business making meri blaus for women and girls.

If the business has a name what is it?
B and B sewing bees

What is the business organisation?
Family business

Where will the business be located?
Mako village, Ward 23, Dapto District, Morobe Province

What will be the business postal address?
P.O. Box 2234 Goroka, Eastern Highlands Province

What will be the business contact details (mobile, email, etc.)?
7379999 (Betty). 7398787 (Benny).
BandBsewingbees@gmail.com
http://www.facebook.com/BandBsewingbees

What is the business organisation? Is it a family business or a farmer group or a women's group *o kain olsem.* If the business organisation has a name, then also include it (for example, *Mun Kopi Asosieson).*

The finance organisation that you want to get money from will definitely contact you to find out more about your business plan. This is why you need to include the best postal address and mobile number for them to contact you on. If your business has an email or social networking address then also include it.

B. PRINCIPALS

Name: Betty Benny	**Age:** 28	**Male or female:** Female
Position: Production Manager		**Mobile:** 7379999
Highest level education: Grade 10 Bena High School		
Relevant training: One-week sewing course (the Salvation Army). Good governance short training (Lutheran Development Service)		
Relevant experience: 15 years sewing experience. Chair of the Mako Elementary School. Experience selling at local market.		

Name: Benny Waisi	**Age:** 32	**Male or female:** Male
Position: Sales Manager		**Mobile:** 7398787
Highest level education: Grade 10 Goroka High School		
Relevant training: Good governance short training (Lutheran Development Service). Basic mechanics course.		
Relevant experience: 3 years running a PMV business. Treasurer Ward 44 Community School. Good at repairing machinery and small engines.		

Principal means *'go pas'*. Who are the *go pas* people in your business? They might *go pas* because of their experience running a business, or their experience making your product, or their experience as a manager. If you are not sure who the principals are then just select the two most experienced members of your business organisation.

You can have more than two Principals. If you have more than two Principals then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section B).

Betty and Benny's business plan

C. OUR CUSTOMERS (1) *Meri blaus* for women. The main customer groups for this product are: • Women buying for themselves. Women will find out about this product because they will see *meri blaus* for sale at the local market and at the town market. They will also find out by word-of-mouth. • Husbands buying for their wives. Husbands will find out about this product through their wives. (2) *Meri blaus* for girls. The main customer groups for this product are: • Parents buying for their daughters. Parents will find out about this product through the wives.	(1) List the product or products you plan to sell. Products are either goods or services. Goods are things you can hold – like scones or meat birds or *buai*. A service is work that you (or something you own) performs for someone – like car repairs or generator hire or security or PMV. List each of the product or products that you plan to sell. (2) For each product, explain who you think the customer groups will be for the product? For example, men buying for themselves or women buying for their family or young people or 'middlemen' or schools or buyers from factories or *taun lain?* These customer groups should be the same ones that you include in your product profile (section K). (3) For each product, explain how the customer groups will find out about the product (how will you advertise)?
D. OUR COMPETITION (1) *Meri blaus* for women. At the local market there is only one competitor. A local lady also makes *meri blaus*. At the town market there are five or more competitors. There are also many shops in town that also sell *meri blaus*. (2) *Meri blaus* for girls. At the local market there are no competitors (none). At the town market there are two competitors also selling *meri blaus* for girls. There are three shops in town that also sell *meri blaus* for girls.	(1) List the product or products that you plan to sell. (2) For each product, how many competitors will you have? Write 'none' or 'one' or 'two' or 'three' or 'four' or 'five or more'? (3) For each product, explain who your main competitors will be?
E. OUR SUPPORT **Do the members of your business organisation support this idea?** This business is a family business. Our whole family support this idea.	Your business organisation might be a family business or a women's group or a community or a church group or a landowner group or a farmer group. *Kain kain.* Do the members of your business organisation support this business idea? Do you have any evidence?
How will this business idea also benefit women and youth? The benefits from this business will help Betty and we will use the profits also to help our son and two daughters. In our family we always plan together (husband and wife) how to use our money.	The *kumul* needs two wings to fly. The next generation needs to learn how to fly. A priority for PNG is for women and youth to have more choices and opportunities. How will this business idea also benefit women and youth?

Betty and Benny's business plan

F. OUR UPSTREAM SUPPLY CHAIN

1. Bintangor fabric store. We need laplap, thread, and bias binding. We don't know them, but they always seem to have what we need. There are a number of other stores in town that also sell laplap and thread and bias binding.
2. Uncle David's PMV. We need to use this PMV to get to town and bring our supplies. David's PMV is reliable, except in the wet season. There are three other PMVs from Mako village that also regularly go to town.
3. Town PMV. We need town PMV to get around town. There are plenty of town PMVs.
4. Jenny. We need Jenny because we can sleep at her house when we go to town. Jenny is Benny's sister, and she is reliable. We have some other wantoks that we can sleep with if necessary.
5. Jan's table market. Flex for calls and data. The reception is reliable. If Digicel did not work, then we can use Bmobile. In an emergency we can also use the sched radio at the clinic. We also get kerosene from Jan but there are plenty of other people selling it.
6. Cousin Debbie. We hire her on a casual basis to help cut fabric. She is family so is reliable, but she might be getting married. Can use Jan instead.
7. David's store. We need washing powder to wash meri blaus before selling. David is a friend. There are a number of local trade stores that sell washing powder.
8. John's stationery. We need blank stickers for prices, marker pen, plastic sale bags. They are a good store and always have what we need. There are two other stationery stores in town.

(1) List down all the people and other businesses you plan to use to supply the things you need (the goods and services) to PRODUCE your finished product. This is called your upstream supply chain. In your upstream supply chain just include the things you will use-up *(kaikai)* each year to produce your finished product. Don't include assets in your upstream supply chain (like a sewing machine or coffee pulper) as these are big things that you won't use up *(kaikai)* each year to produce your finished product.

(2) For each person or other business that you list down, explain what you need from them?

(3) For each person or other business that you list down, explain how reliable they are?

(4) For each person or other business that you list down, explain if there is an alternative person or business that could supply you with the same goods or services that you need.

Betty and Benny's business plan

G. OUR DOWNSTREAM SUPPLY CHAIN

1. Uncle David's PMV. We need to use this PMV to take *meri blaus* to market. David's PMV is reliable, except in the wet season. There are three other PMVs from Mako village that also regularly go to town.
2. Jan's table market. Flex for calls and data. The reception is reliable. If Digicel did not work, then we can use Bmobile. In an emergency we can also use the sched radio at the clinic.
3. Jenny. We need Jenny because we can sleep at her house when we go to town. Jenny is Benny's sister, and she is reliable. We have some other *wantoks* that we can sleep with if necessary.
4. Town market. We need the town market to sell *meri blaus.* Jenny sells our *meri blaus* at her second-hand clothing store. Jenny always has her store there – and the market seems to work well. There are no other suitable markets in town.
5. Mako market. To sell our meri blaus. The local market (Mako market) runs every Tuesday. It runs well. There are three other markets in walking distance (Wara bung market and Kitpak market).
6. Wara bung market. To sell our meri blaus. The local market (Mako market) runs every Tuesday. It runs well. There are three other markets in walking distance (Mako market and Kitpak market).

(1) List down all the people and other businesses you plan to use to supply the things you need (the goods and services) to SELL your finished product to customers. This is called your downstream supply chain. These are the people and other businesses you need *after* you have produced your finished product (your upstream supply chain) to then SELL your finished product to customers. In your downstream supply chain just include the things you will use-up *(kaikai)* each year to sell your finished product to customers. Don't include assets in your downstream supply chain (like a drum oven or a car) as these are big things that you won't use up *(kaikai)* each year to sell your finished product to customers.

(2) For each person or other business that you list down, explain what you need from them?

(3) For each person or other business that you list down, explain how reliable they are?

(4) For each person or other business that you list down, explain if there is an alternative person or business that could supply you the same goods or services you need.

Betty and Benny's business plan

H. OUR CAPACITY **What skills and knowledge and *pasin* do you already have that will help you?** 1. Management skills. Benny is treasurer of Ward 44 Community School. See the letter of support from the Head Teacher from Ward 44 Community School. Betty is Chair of Mako Elementary school. Benny has had 3 years' experience running a PMV business. 2. Marketing skills. Benny had some experience with marketing for his PMV business. 3. Good governance skills. We have both done a good governance short course. We have a good idea about the importance of being honest and transparent. 4. Financial management skills. Benny is treasurer of Ward 44 Community School. Benny has had 3 years' experience running a PMV business. 5. Sewing skills. Betty has excellent sewing skills. We have what we need. 6. Maintenance. Benny is good at maintaining small engines (like generators) and can also maintain sewing machines. 7. Honesty. We have a reputation for being honest people. Please find attached a letter of support from the Pastor of Mako Church which says that we are honest and good people. 8. Hard work. We are very hard-working people. Please find attached a letter of support from the Pastor of Mako Church which says we are hard working.	List the skills and knowledge that you already have that will help your business succeed. Skills and knowledge might include things like management skills or negotiation skills or production skills or money management skills or governance skills or leadership skills *o kain olsem*. If you have any evidence that you have the skill or knowledge then include it as an attachment (for example, training certificate or letter of support). Also list the *pasin* that you already have that will help your business succeed. *Pasin* might include things like transparency or honesty or *wok bung o kain olsem*. If you have any evidence that you have this *pasin* then include it as an attachment (for example, training certificate or letter of support). Don't forget, if you need more space then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section G).
What more skills and knowledge and *pasin* will you need – and how will you get it? 1. We need more save long sait bilong menesmen. We will ask the Head Teacher to help us to get more save. 2. We need more save long sait bilong menesmen. We will ask Jenny to give us help with marketing. 3. Negotiation skills. We hope that we might be able to get a contract from a store in town. We need negotiation skills. We are not sure how to get negotiation skills. 4. We need more *save* so we can manage our finances better. We will find out from the District if there is training available.	List down any more skills and knowledge and *pasin* that you think you will need to make your business successful. Skills and knowledge and *pasin* you don't have – or that you need more of. If you have a plan for how to get the skill or knowledge or *pasin* then say what it is.

Betty and Benny's business plan

What assets and other resources do you already have that will help you? 1. The road to town is in good condition, except in the wet season when sometimes there are landslides. 2. We have a big extended family *no haus lain stap.* 3. We have good law and order in Mako 4. There is a person in Mako who know how to repair sewing machines 5. We have a workroom already to use for production, with chairs (no table) 6. We have good mobile service.	List down the resources that you already have that will help your business succeed. Resources are the big things you use or depend on year after year. Resources include: • Assets (machinery, office, vehicle, generator, lanterns, computer, coffee pulper, sewing machine, chicken feeders, chairs, phone) • Human resources (a big family, local experts, *haus lain)* • Natural resources (water and land and *kunai* and timber and *wait san)* • Services (road, footbridge, mobile reception, banks, law and justice committee, power supply, schools). If you pay for the service each time you produce your product or take it to market and sell it, then be sure to include it in your supply chain.
I. OUR RISKS 1. Stealing on the road when we go to town. We will only travel during the day. 2. We get sick. We will eat healthy food and not drink or smoke. If one of us gets sick, we will make sure we look after our money so we can afford medicine. We will work together so that if one of us is sick the other person can take over their work. 3. Not enough customers. We will always try and find more customers by advertising and marketing ourselves. If there are not enough customers, we will think about selling something else as well (like uniforms or curtains). We will also make savings each year in case there are downtimes.	What are the things that could go wrong with the business? The things that could go wrong are called 'risks'. (1) List down all the risks that you worry about. (2) For each risk, explain what you will do to reduce the chance that it will go wrong, and what you will do to manage if it does go wrong. Don't forget, if you need more space then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section I).
What will you do to manage demands from friends and family (social obligations)? We plan to budget some money each year for using for social obligations – *taim man i dai o kain olsem*. We will also budget a loan amount of K100 for helping friends and family – but once we loan the money, we will tell anyone else that needs money that they can only have some when the previous loans have been paid back. We have also included our draft asset use policy as an attachment.	A big risk for any business is demands from friends and family for money or for use of your assets (the things the business owns). You need to meet your social obligations, but how will you find a balance so that you meet your social obligations without destroying your business?

Betty and Benny's business plan

How will you put the principle of transparency into practice? We will keep the records of all our expenses and profit. This information will be available for anyone who wants to look at it. If we get a loan for our business *bai mipela putim long ples klia ol dispela samting.*	Transparency means *klia glas. Pasin bilong mekim na putim olgeta samting long ples klia.* A big risk for any business is *dak glas.* Problems grow in darkness. Let the sunshine. *San save kilim binatang nogut.* The PNG Government wants every organisation to put the principle of transparency into practice. What will you do to when you run your business to *mekim na putim olgeta samting long ples klia?*
J. OUR COMPETITIVE ADVANTAGE (1) *Meri blaus* for women. Customers in Mako and Ward 44 will buy this product because they know us (relationship). Customers in town will buy our product because it will be quality (difference). They will also buy it because they know Jenny who will sell it at her market (relationship). (2) *Meri blaus* for girls. Customers in Mako and Ward 44 will buy this product because no one else is selling it. Customers in town will buy our product because it will be quality (difference). They will also buy it because they know Jenny who will sell it at her market (relationship).	Normally customers choose one product over another product because of price (it is cheaper than another product) or convenience (it is easier to buy when they want it) or relationship (the customers know you) or difference (it is different and better than another product). (1) List each of the products you are going to sell. (2) For each product, explain why you think customers will buy your product instead of your competitors' product. What is your competitive advantage?
K. PRODUCT PROFILE Product (1) *Meri blaus* for women 1. The price for *meri blaus* for women will be K40 2. The main customer groups for this product will be women buying for themselves and husbands buying for their wives. 3. Women will buy one dress for themselves every two years. This means half a dress each year (1 dress divided by 2 years). Husbands will buy one dress for their wife each year. 4. *Luk olsem* 30 women will buy one dress for themselves every two years (half a dress each year). 80 husbands will buy one dress for their wife each year. Product (2) *Meri blaus* for girls 1. The price for *meri blaus* for girls will be K20 2. The main customer group for this product is parents buying for their daughters 3. Parents will buy one dress for each daughter every year. If we say there are two daughters on average for each family this means parents will buy two dresses for their daughters in a year. 4. We estimate 100 parents will buy two dresses for their daughters in a year.	(1) Identify each of the different products (the goods or services) that you plan to sell. (2) Then for each product ask yourself four questions: **1. What will be the price for this product?** **2. What will be the main customer groups for this product?** **3. How much product will a customer in each customer group buy in a year?** **4. How many customers are there in each customer group?**

Betty and Benny's business plan

L. FORECAST ANNUAL PRODUCTION

Product (1) *Meri blaus* for women

The first customer group is women buying for themselves
½ dress each year X 30 women = 15 meri blaus for women
The second customer group is husbands buying for their wives
1 dress each year X 80 husbands = 80 meri blaus for women
Forecast annual production for product (1) = 95 meri blaus for women

Product (2) *Meri blaus* for girls

The main customer group is parents buying for their daughters
2 dresses each year X 100 parents = 200 meri blaus for girls
Forecast annual production for product (2) = 200 meri blaus for girls

(1) List the different products you plan to sell. To work out how much product you will need, look at the product profile (section K) for each of the products you want to sell and multiply your answers for question 3 and question 4. If there is more than one customer group for a product, you need to multiply question 3 and question 4 for each customer group first and then add them together.

M. FORECAST ANNUAL INCOME

Product (1) *Meri blaus* for women

Forecast annual income is 95 *meri blaus* for women X K40 = K3,800

Product (2) *Meri blaus* for girls

Forecast annual income is 200 *meri blaus* for girls X K20 = K4,000

Total forecast annual income for the business is K3,800 + K4,000 = K7,800

To work out how much income you should get, multiple your forecast annual production for each product by the price for each product (question 1 in the product profile). If there is more than one product, you need to add the forecast annual income for each product together. This gives you the total forecast annual income.

N. FORECAST ANNUAL COSTS (maintenance costs)

1. Two sewing machines = K600 x 2 = K1200
2. Cloth scissors = K100
3. Sharpener for scissors = K30
4. Worktable = K200
5. Coleman lantern = K300
6. Chairs for worktable = K60 (we already have this)
7. Needles = K20
8. Tape measure = K20
9. Backpack for transport = K80
10. Workroom = K500 (we already have this)

Total cost for assets = K2,510
K2,510 x 0.1 (10%) = K251

Forecast annual maintenance costs for first year = K251

When you start a business, or if you are not sure what your maintenance costs are, then one way to forecast your annual maintenance costs is:

(1) List the assets you will need for your business. Assets are the big things you need to have or own that you need year after year - *ino ol samting wan raun na painim gen*. Assets might include things like land, machinery, office, vehicle, generator, lanterns, computer, coffee pulper, sewing machine, chicken feeders, chairs, mobile phone. Include assets you already have.

(2) For each asset that your business will need, write the cost to buy it (or if you already own it write its value).

(3) Total the costs for all the assets.

(4) Then work out what 10% of the total cost for all the assets is. 10% of the total cost for all the assets gives you an estimate (best guess) for what you can expect the annual maintenance costs to be (if you look after your assets!) To work out what 10% is, multiply the total cost for all the assets by 0.1.

Betty and Benny's business plan

O. FORECAST ANNUAL COSTS (operation costs)

1. A4 paper for the office – 1 ream = K15
2. Box of black and red pens = K15
3. Receipt book = K10
4. Stamps (per book of 10) = K5
5. Batteries for wall clock = K10
6. Tea and coffee for mid-year and end of year meetings with members = K30
7. Kerosene for lantern for office 10 litres = K25
8. Tea/coffee/milo/biscuits = K150
9. Transport Treasurer to town – 2 trips per year plus one standby = K100
10. Membership of District Small Business Association = K100
11. Petty cash – K200 per half-year = K400
12. Community contributions = K400
13. Bank fees = K25
14. Annual loan repayment to bank = K500

Total forecast operation costs = K1,790

Operation costs are the costs for the things you need each year to run your business. Operation costs are fixed. This means they don't change much from year to year. Operation costs grow slowly as your business slowly grows. In *tok bisnis* operation costs are often called 'fixed costs'.

The costs for any 'fixed' permanent or part-time employees are operation costs. These are people you need regardless of how much product you produce and sell. But if the person you employ is only to help you with the work when you produce or sell your product, then it is better to include their cost as a production cost. This is because this cost is 'flexible' - it depends on how much product you produce and sell.

Operation costs are not the costs for what you need to buy or get from the people and other businesses in your upstream and your downstream supply chain. These are 'flexible' costs because they depend on how much product you produce and sell.

Don't include the costs to buy assets as operation costs - you buy new assets with start-up funding or savings or profit. And don't include costs to repair your assets or to replace them if they *bagarap* - these are maintenance costs (and you have already included these costs).

To forecast your annual operation costs, do the following:

(1) List the things your business will need to operate. (2) For each thing that your business will need to operate, write the cost. (3) Total all of the operation costs.

Betty and Benny's business plan

P. FORECAST ANNUAL COSTS (production costs)

UPSTREAM

Bintangor fabric store (laplap, thread, bias binding) K300 for laplap, K30 for thread, K30 for bias binding = K360 per year

Uncle David's PMV (get to town) K50 x 4 return trips = K200 per year

Town PMV K4 x 16 trips = K64 per year

Jenny (house in town for accommodation) K40 per trip for food contribution = K160 per year

Jan's table market (Digicel flex and kerosene) = K100 per year

Cousin Debbie (casual hire to help cutting fabric) = K200 per year

David's store (washing powder to wash meri blaus before selling) = K30 per year

Johno's stationery (blank stickers for prices, marker pen, plastic sale bags) = K40 per year

Meri blaus business

DOWNSTREAM

Uncle David's PMV (to take meri blaus to market) = cost included in upstream costs

Jan's table market (Digicel flex) = K50 per year

Jenny (house in town for accommodation) = cost included in upstream costs

Town market (sold by Jenny at her peanut market) Contribution market fees = K50 per year

Weegena market (local market fees) K2.50 market fee x 20 = K100 per year

Wara bung market (local market fees) K2.50 market fee 20 = K100 per year

Forecast annual production costs = K1390

Production costs are the costs to produce and sell your product. They are 'flexible' because they depend on how much product you produce or sell. To forecast your annual production costs, you need to work out what your supply chain will cost each year. Do the following:

(1) Look at section F (Our upstream supply chain) and copy down the names of the people and businesses that will supply the things you need to PRODUCE your finished product. Write down what things (goods or services) you need from each of these people or businesses (each link). Then write down what each link will cost each year to get the goods and services you need to achieve your forecast annual production (see section L).

(2) Next, include your own business in the middle. Your production costs are shown in your upstream or downstream supply chain. But if there is a production cost that you don't know where to include, you can include it here (but make sure it is not a maintenance cost or operation cost). If you do this, then write down what this production cost will cost each year to achieve your forecast annual production (see section L).

(3) Next, look at section G (Our downstream supply chain) and copy down the names of the people and businesses that will supply the things you need to SELL your finished product. Write down what things (goods or services) you need from each of these people or businesses (each link). Then write down what each link will cost each year to get the goods and services you need to achieve your forecast annual production (see section L).

(4) Finally, add up the cost for each link in your supply chain. This is your total annual production cost.

Be careful. Don't double count costs. Don't include a cost as a production cost if it has already been included as an operation cost. Don't include the cost to buy an asset as a production cost – the costs to buy assets will be included in the section 'forecast start-up costs'. Don't count the same production cost twice in two different links. And don't count the cost to go to town twice if you can combine and make just one trip.

Betty and Benny's business plan

Q. TOTAL FORECAST ANNUAL COSTS The forecast annual maintenance cost (section N) = K251 The forecast annual operation cost (section O) = K1790 The forecast annual production cost (section P) = K1390 K251 + K1790 + K1390 = K3,431 (total forecast annual costs)	To work out your total forecast annual costs, add the forecast annual maintenance costs (see section N) and forecast annual operation costs (see section O) and forecast annual production costs (see section P).
R. FORECAST ANNUAL PROFIT (OR LOSS) Forecast annual income (section M) = K7,800 Forecast annual cost (section Q) = K3,431 K7,800 – K3,431 = K4,369 (forecast annual profit)	Subtract your forecast annual costs (see section Q) from your forecast annual income (see section M). This will give you your forecast annual profit (or loss).
Tok save. You profit is not just for spending. You need to use your profit to make savings. You should always try and grow your savings by 10% each year.	
S. FORECAST START-UP COSTS (1) The total cost of the new assets we need to purchase = K1,950 + (2) We need to transport assets = 2 return trips to town (K55 x 2) = K110 + (3) Total forecast annual costs = K3,431 = (4) Total so far is K1,950 + K3,431 + K110 = K5,491 + (5) K5,491 x 0.1 = K549.1 = K549 (10% contingency) = (6) Total forecast start-up costs for one year (plus 10% contingency) = K5,491 + K549 = K6,040	To forecast your start-up costs for one year, do the following: (1) Get the total cost of the new assets you need (see section N). Don't include the cost for those assets that you already own. (2) Work out any other one-off start-up costs (like transport for assets after you buy them). (3) Get the total forecast annual costs (see section Q). (4) Add it all together (1-3) and this gives you your total forecast start-up costs for one year. (5) Now is a good time to include 10% contingency *(sefti moni)* just in case prices change or something goes wrong. To work out what 10% contingency is, multiply the total forecast start-up costs for one year by 0.1. Don't worry about *toea* - just round it up or down. (6) Finally, add this amount to the total forecast start-up costs for one year. This gives you the total forecast start-up costs for one year (plus 10% contingency). If you need two years to start-up your business, then add the forecast annual costs again for a second year (your answer for section Q plus 10% contingency). You don't need to include again the cost of the assets you need to purchase (you already bought them) or any one-off start-up costs (they were once-off). If you need three years, then do the same thing again for the third year.
Tok save. You won't need to put aside money for paying tax until you start to earn profit. To find out about what tax you will need to pay talk to a financial organisation or the Government.	

Betty and Benny's business plan

T. CONTRIBUTION AMOUNT AND LOAN REQUESTED

The total forecast start-up cost is K6,040. This is the amount of money we forecast we need before the business can start to karim kaikai.

We will contribute K1,200 of this amount from local contributions

We are requesting a loan of K4,840 from a financial organisation

First, list the total amount required to start your business. Will you need start-up funding for 1 or 2 or 3 years? Next, work out how much money your community will contribute. Often the finance organisation will require you to contribute a set amount before they will lend you any money. Find out from them what contribution they require. If you are not sure, then contribute 20% (the total forecast start-up costs x 0.2). Finally, subtract your contribution from the total forecast start-up costs This gives you how much money you need to loan.

Tok save. If you are successful in getting a loan, the financial organisation will need to be repaid. Definitely. A loan is repaid by paying back the original loan amount (called the 'principal' amount) and the interest. Interest is the *antap* money the finance organisation charges you for using their money. If you are successful in getting a loan, the finance organisation will set the minimum monthly or quarterly repayments. This means they will tell you how much you have to pay back each month or each quarter. Normally the repayment will come from your income. This repayment amount becomes one of your operating costs. *Tingim.*

U. SECURITY

The following items are available as a security

1 x generator Honda DX500 2 years old. Good condition. K1500

1 x solar pump Sanyo ss956. Brand new under warranty. K3000

Financial organisations will need a guarantee that if you cannot repay the loan, then you have other items of value that they can take and sell to recover the loan. In *tok benk* this is called 'security'. List anything you have which is a valuable asset. Describe it and how old it is and what condition it is in and what you think the asset is really worth. If you don't know the value don't worry - the financial organisation will check. The total value of the items you list as security should be at least 30% of the loan requested (loan requested x 0.3). 50% is better. But don't list something that you are not prepared to lose. Getting a loan is a risk.

V. SIGNATURES

- We the Principles confirm that the information in this form is true and correct to the best of our knowledge.
- We the Principles promise that we will be truthful and honest and transparent in all our dealings with the members of our organisation.
- We the Principles promise that we will be truthful and honest and transparent in all our dealings with any financial organisation.

All of the Principals that you listed in section B need to sign and date as evidence that they have read the statement and confirm that it is true. Each Principal should write their name, sign under their name, and then write the date that they signed.

Name and position	Signature
Betty Benny (Production Manager)	Betty
Benny Waisi (Sales Manager)	Benny X

Betty and Benny's business plan

W. ATTACHMENTS

- Market research
- Business analysis
- Certification of Participation for Good Governance course (Betty Benny and Benny Waisi) from Luthern Development Services
- Letter of support from Pastor of Mako Church
- Letter of support from Head Teacher, Ward 44 Community School
- Photos of proposed workshop and location
- Story of how we developed this business plan
- Organisation profile (business profile)
- Good governance policy (constitution)
- Supply chain plan

List the attachments you have included. Attachments might include your market research, your business analysis, evidence of what your organisation or business has done in the past, minutes from meetings, the story of how you completed this business plan form, your good governance policy (constitution), asset control policy, financial control policy, roles and responsibilities policy, behaviour policy (code of conduct), letters of support, a supply chain plan, a five-year plan, an organisation/business profile, any budgets or annual plans. *Kain kain.*

Community-based organisation business plan form page 1

This business plan form is for starting a new business. Complete this business plan form in pencil, then do the final version using black or blue pen. This form can be submitted to any finance organisation. This form can also be used to plan your new business even if you do not need outside help (if this is the case you don't need to complete sections T and U). There is training available to help you complete this form (ask the finance organisation you plan to give the form to for more information). No finance organisation expects you to have all the answers. What they expect is that you be honest and open with them. *Tok stret na tok klia em tu em samting bilong skelim.* If you need more space to answer any of the sections below, then write "see attachment" and include it as an attachment (and say clearly which section the attachment is for). The more information you provide about your business idea the better, so feel free to include any other attachments.

A. DETAILS OF PROPOSED BUSINESS

What is your business idea?

If the business has a name what is it?

What is the business organisation?

Where will the business be located?

What will be the business postal address?

What will be the business contact details (mobile, email, etc.)?

What is the business organisation? Is it a family business or a farmer group or a women's group *o kain olsem.* If the business organisation has a name, then also include it (for example, *Mun Kopi Asosieson).*

The finance organisation that you want to get money from will definitely contact you to find out more about your business plan. This is why you need to include the best postal address and mobile number for them to contact you on. If your business has an email or social networking address then also include it.

B. PRINCIPALS

Name:	**Age:**	**Male or female:**
Position:		**Mobile:**
Highest level education:		
Relevant training:		
Relevant experience:		

Name:	**Age:**	**Male or female:**
Position:		**Mobile:**
Highest level education:		
Relevant training:		
Relevant experience:		

Principal means *'go pas'*. Who are the *go pas* people in your business? They might *go pas* because of their experience running a business, or their experience making your product, or their experience as a manager. If you are not sure who the principals are then just select the two most experienced members of your business organisation.

You can have more than two Principals. If you have more than two Principals then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section B).

Community-based organisation business plan form page 2

C. OUR CUSTOMERS	(1) List the product or products you plan to sell. Products are either goods or services. Goods are things you can hold – like scones or meat birds or *buai*. A service is work that you (or something you own) performs for someone – like car repairs or generator hire or security or PMV. List each of the product or products that you plan to sell. (2) For each product, explain who you think the customer groups will be for the product? For example, men buying for themselves or women buying for their family or young people or 'middlemen' or schools or buyers from factories or *taun lain?* These customer groups should be the same ones that you include in your product profile (section K). (3) For each product, explain how the customer groups will find out about the product (how will you advertise)?
D. OUR COMPETITION	(1) List the product or products that you plan to sell. (2) For each product, how many competitors will you have? Write 'none' or 'one' or 'two' or 'three' or 'four' or 'five or more'? (3) For each product, explain who your main competitors will be?
E. OUR SUPPORT **Do the members of your business organisation support this idea?**	Your business organisation might be a family business or a women's group or a community or a church group or a landowner group or a farmer group. *Kain kain.* Do the members of your business organisation support this business idea? Do you have any evidence?
How will this business idea also benefit women and youth?	The *kumul* needs two wings to fly. The next generation needs to learn how to fly. A priority for PNG is for women and youth to have more choices and opportunities. How will this business idea also benefit women and youth?

Community-based organisation business plan form page 3

F. OUR UPSTREAM SUPPLY CHAIN

(1) List down all the people and other businesses you plan to use to supply the things you need (the goods and services) to PRODUCE your finished product. This is called your upstream supply chain. In your upstream supply chain just include the things you will use-up *(kaikai)* each year to produce your finished product. Don't include assets in your upstream supply chain (like a sewing machine or coffee pulper) as these are big things that you won't use up *(kaikai)* each year to produce your finished product.

(2) For each person or other business that you list down, explain what you need from them?

(3) For each person or other business that you list down, explain how reliable they are?

(4) For each person or other business that you list down, explain if there is an alternative person or business that could supply you with the same goods or services that you need.

Community-based organisation business plan form page 4

G. OUR DOWNSTREAM SUPPLY CHAIN

(1) List down all the people and other businesses you plan to use to supply the things you need (the goods and services) to SELL your finished product to customers. This is called your downstream supply chain. These are the people and other businesses you need *after* you have produced your finished product (your upstream supply chain) to then SELL your finished product to customers. In your downstream supply chain just include the things you will use-up *(kaikai)* each year to sell your finished product to customers. Don't include assets in your downstream supply chain (like a drum oven or a car) as these are big things that you won't use up *(kaikai)* each year to sell your finished product to customers.

(2) For each person or other business that you list down, explain what you need from them?

(3) For each person or other business that you list down, explain how reliable they are?

(4) For each person or other business that you list down, explain if there is an alternative person or business that could supply the same goods or services that you need.

Community-based organisation business plan form page 5

H. OUR CAPACITY **What skills and knowledge and *pasin* do you already have that will help you?**	List the skills and knowledge that you already have that will help your business succeed. Skills and knowledge might include things like management skills or negotiation skills or production skills or money management skills or governance skills or leadership skills *o kain olsem*. If you have any evidence that you have the skill or knowledge then include it as an attachment (for example, training certificate or letter of support). Also list the *pasin* that you already have that will help your business succeed. *Pasin* might include things like transparency or honesty or *wok bung o kain olsem*. If you have any evidence that you have this *pasin* then include it as an attachment (for example, training certificate or letter of support). Don't forget, if you need more space then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section G).
What more skills and knowledge and *pasin* will you need – and how will you get it?	List down any more skills and knowledge and *pasin* that you think you will need to make your business successful. Skills and knowledge and *pasin* you don't have – or that you need more of. If you have a plan for how to get the skill or knowledge or *pasin* then say what it is.

Community-based organisation business plan form page 6

What assets and other resources do you already have that will help you?	List down the resources that you already have that will help your business succeed. Resources are the big things you use or depend on year after year. Resources include: • Assets (machinery, office, vehicle, generator, lanterns, computer, coffee pulper, sewing machine, chicken feeders, chairs, phone) • Human resources (a big family, local experts, *haus lain)* • Natural resources (water and land and *kunai* and timber and *wait san)* • Services (road, footbridge, mobile reception, banks, law and justice committee, power supply, schools). If you pay for the service each time you produce your product or take it to market and sell it, then be sure to include it in your supply chain.
I. OUR RISKS	What are the things that could go wrong with the business? The things that could go wrong are called 'risks'. (1) List down all the risks that you worry about. (2) For each risk, explain what you will do to reduce the chance that it will go wrong, and what you will do to manage if it does go wrong. Don't forget, if you need more space then write "see attachment" at the bottom of this section, and then use extra paper and include it as an attachment at the end of the business plan form (and say clearly that the attachment is for section I).
What will you do to manage demands from friends and family (social obligations)?	A big risk for any business is demands from friends and family for money or for use of your assets (the things the business owns). You need to meet your social obligations, but how will you find a balance so that you meet your social obligations without destroying your business?

Community-based organisation business plan form page 7

How will you put the principle of transparency into practice?	Transparency means *klia glas*. *Pasin bilong mekim na putim olgeta samting long ples klia.* A big risk for any business is *dak glas.* Problems grow in darkness. Let the sunshine. *San save kilim binatang nogut.* The PNG Government wants every organisation to put the principle of transparency into practice. What will you do to when you run your business to *mekim na putim olgeta samting long ples klia?*
J. OUR COMPETITIVE ADVANTAGE	Normally customers choose one product over another product because of price (it is cheaper than another product) or convenience (it is easier to buy when they want it) or relationship (the customers know you) or difference (it is different and better than another product). (1) List each of the products you are going to sell. (2) For each product, explain why you think customers will buy your product instead of your competitors' product. What is your competitive advantage?
K. PRODUCT PROFILE	(1) Identify each of the different products (the goods or services) that you plan to sell. (2) Then for each product ask yourself four questions: 1. **What will be the price for this product?** 2. **What will be the main customer groups for this product?** 3. **How much product will a customer in each customer group buy in a year?** 4. **How many customers are there in each customer group?**

Community-based organisation business plan form page 8

L. FORECAST ANNUAL PRODUCTION	(1) List the different products you plan to sell. To work out how much product you will need, look at the product profile (section K) for each of the products you want to sell and multiply your answers for question 3 and question 4. If there is more than one customer group for a product, you need to multiply question 3 and question 4 for each customer group first and then add them together.
M. FORECAST ANNUAL INCOME	To work out how much income you should get, multiple your forecast annual production for each product by the price for each product (question 1 in the product profile). If there is more than one product, you need to add the forecast annual income for each product together. This gives you the total forecast annual income.
N. FORECAST ANNUAL COSTS (maintenance costs)	When you start a business, or if you are not sure what your maintenance costs are, then one way to forecast your annual maintenance costs is: (1) List the assets you will need for your business. Assets are the big things you need to have or own that you need year after year - *ino ol samting wan raun na painim gen*. Assets might include things like land, machinery, office, vehicle, generator, lanterns, computer, coffee pulper, sewing machine, chicken feeders, chairs, mobile phone. Include assets you already have. (2) For each asset that your business will need, write the cost to buy it (or if you already own it write its value). (3) Total the costs for all the assets. (4) Then work out what 10% of the total cost for all the assets is. 10% of the total cost for all the assets gives you an estimate (best guess) for what you can expect the annual maintenance costs to be (if you look after your assets!) To work out what 10% is, multiply the total cost for all the assets by 0.1.

O. FORECAST ANNUAL COSTS (operation costs)

Operation costs are the costs for the things you need each year to run your business. Operation costs are fixed. This means they don't change much from year to year. Operation costs grow slowly as your business slowly grows. In *tok bisnis* operation costs are often called 'fixed costs'.

The costs for any 'fixed' permanent or part-time employees are operation costs. These are people you need regardless of how much product you produce and sell. But if the person you employ is only to help you with the work when you produce or sell your product, then it is better to include their cost as a production cost. This is because this cost is 'flexible' - it depends on how much product you produce and sell.

Operation costs are not the costs for what you need to buy or get from the people and other businesses in your upstream and your downstream supply chain. These are 'flexible' costs because they depend on how much product you produce and sell.

Don't include the costs to buy assets as operation costs - you buy new assets with start-up funding or savings or profit. And don't include costs to repair your assets or to replace them if they *bagarap* - these are maintenance costs (and you have already included these costs).

To forecast your annual operation costs, do the following:

(1) List the things your business will need to operate. (2) For each thing that your business will need to operate, write the cost. (3) Total all of the operation costs.

P. FORECAST ANNUAL COSTS (production costs)

Production costs are the costs to produce and sell your product. They are 'flexible' because they depend on how much product you produce or sell. To forecast your annual production costs, you need to work out what your supply chain will cost each year. Do the following:

(1) Look at section F (Our upstream supply chain) and copy down the names of the people and businesses that will supply the things you need to PRODUCE your finished product. Write down what things (goods or services) you need from each of these people or businesses (each link). Then write down what each link will cost each year to get the goods and services you need to achieve your forecast annual production (see section L).

(2) Next, include your own business in the middle. Your production costs are shown in your upstream or downstream supply chain. But if there is a production cost that you don't know where to include, you can include it here (but make sure it is not a maintenance cost or operation cost). If you do this, then write down what this production cost will cost each year to achieve your forecast annual production (see section L).

(3) Next, look at section G (Our downstream supply chain) and copy down the names of the people and businesses that will supply the things you need to SELL your finished product. Write down what things (goods or services) you need from each of these people or businesses (each link). Then write down what each link will cost each year to get the goods and services you need to achieve your forecast annual production (see section L).

(4) Finally, add up the cost for each link in your supply chain. This is your total annual production cost.

Be careful. Don't double count costs. Don't include a cost as a production cost if it has already been included as an operation cost. Don't include the cost to buy an asset as a production cost – the costs to buy assets will be included in the section 'forecast start-up costs'. Don't count the same production cost twice in two different links. And don't count the cost to go to town twice if you can combine and make just one trip.

Q. TOTAL FORECAST ANNUAL COSTS	To work out your total forecast annual costs, add the forecast annual maintenance costs (see section N) and forecast annual operation costs (see section O) and forecast annual production costs (see section P).
R. FORECAST ANNUAL PROFIT (OR LOSS)	Subtract your forecast annual costs (see section Q) from your forecast annual income (see section M). This will give you your forecast annual profit (or loss).
Tok save. You profit is not just for spending. You need to use your profit to make savings. You should always try and grow your savings by 10% each year.	
S. FORECAST START-UP COSTS	To forecast your start-up costs for one year, do the following: (1) Get the total cost of the new assets you need (see section N). Don't include the cost for those assets that you already own. (2) Work out any other one-off start-up costs (like transport for assets after you buy them). (3) Get the total forecast annual costs (see section Q). (4) Add it all together (1-3) and this gives you your total forecast start-up costs for one year. (5) Now is a good time to include 10% contingency *(sefti moni)* just in case prices change or something goes wrong. To work out what 10% contingency is, multiply the total forecast start-up costs for one year by 0.1. Don't worry about *toea* - just round it up or down. (6) Finally, add this amount to the total forecast start-up costs for one year. This gives you the total forecast start-up costs for one year (plus 10% contingency). If you need two years to start-up your business, then add the forecast annual costs again for a second year (your answer for section Q plus 10% contingency). You don't need to include again the cost of the assets you need to purchase (you already bought them) or any one-off start-up costs (they were once-off). If you need three years, then do the same thing again for the third year.
Tok save. You won't need to put aside money for paying tax until you start to earn profit. To find out about what tax you will need to pay talk to a financial organisation or the Government.	

T. CONTRIBUTION AMOUNT AND LOAN REQUESTED

First, list the total amount required to start your business. Will you need start-up funding for 1 or 2 or 3 years? Next, work out how much money your community will contribute. Often the finance organisation will require you to contribute a set amount before they will lend you any money. Find out from them what contribution they require. If you are not sure, then contribute 20% (the total forecast start-up costs x 0.2). Finally, subtract your contribution from the total forecast start-up costs This gives you how much money you need to loan.

Tok save. If you are successful in getting a loan, the financial organisation will need to be repaid. Definitely. A loan is repaid by paying back the original loan amount (called the 'principal' amount) and the interest. Interest is the *antap* money the finance organisation charges you for using their money. If you are successful in getting a loan, the finance organisation will set the minimum monthly or quarterly repayments. This means they will tell you how much you have to pay back each month or each quarter. Normally the repayment will come from your income. This repayment amount becomes one of your operating costs. *Tingim.*

U. SECURITY

Financial organisations will need a guarantee that if you cannot repay the loan, then you have other items of value that they can take and sell to recover the loan. In *tok benk* this is called 'security'. List anything you have which is a valuable asset. Describe it and how old it is and what condition it is in and what you think the asset is really worth. If you don't know the value don't worry - the financial organisation will check. The total value of the items you list as security should be at least 30% of the loan requested (loan requested x 0.3). 50% is better. But don't list something that you are not prepared to lose. Getting a loan is a risk.

V. SIGNATURES

- We the Principles confirm that the information in this form is true and correct to the best of our knowledge.
- We the Principles promise that we will be truthful and honest and transparent in all our dealings with the members of our organisation.
- We the Principles promise that we will be truthful and honest and transparent in all our dealings with any financial organisation.

All of the Principals that you listed in section B need to sign and date as evidence that they have read the statement and confirm that it is true. Each Principal should write their name, sign under their name, and then write the date that they signed.

Name and position	Signature

W. ATTACHMENTS

List the attachments you have included. Attachments might include your market research, your business analysis, evidence of what your organisation or business has done in the past, minutes from meetings, the story of how you completed this business plan form, your good governance policy (constitution), asset control policy, financial control policy, roles and responsibilities policy, behaviour policy (code of conduct), letters of support, a supply chain plan, a five-year plan, an organisation/business profile, any budgets or annual plans. *Kain kain.*