GOOD STEWARD INTERNATIONAL

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EASTERN HEMISPHERE SERIES

SMALL BUSINESS HANDBOOK

-EXCERPT-

STUDENT MANUAL

GOOD STEWARD INTERNATIONAL

SMALL BUSINESS HANDBOOK

Student Manual

Printed in the USA

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LESSON 1

It Takes Work!

Hakuna mbadala wa kufanya kazi kwa bidii. —Thomas A. Edison

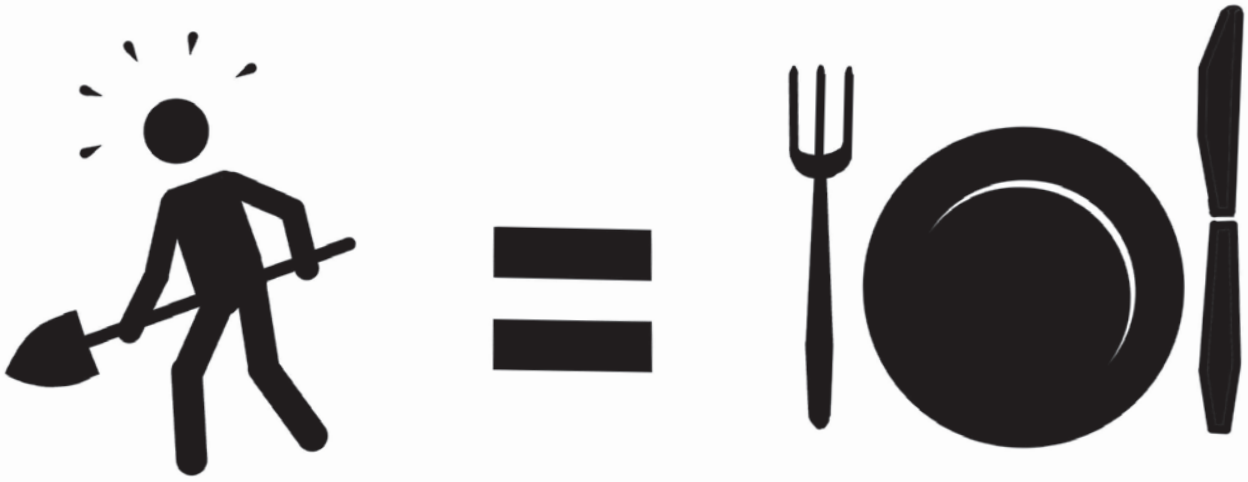
The Big Picture

Do you like to work? Do you get excited when you have a long list of jobs to do and there isn't enough time in the day to get them done? Or, does work discourage you? Does it seem like an endless cycle from which you can't escape? Do you think of it as something that ties you down and keeps you from doing what you really want to be doing?

Look around you right now. What do you see? Most likely you see a few chairs and possibly a table. You likely see walls and a roof. But did you stop to think about how they got there? Have you paused to appreciate the work of the people who assembled the chair or the labor of the workmen who put the roof on the building?

The society that we live in would come crashing to a halt if people didn't work. The food we eat, the roads we drive on, the houses we live in—all are a product of work. Long before those things existed, God worked. His work was to create us as humans and the world on which we live. Because we have been created in His image, we also are called to work.

God tells us that if a person does not work, he shouldn't eat either. This makes sense logically as we look at the world. From the earliest of times, man has had to use some effort to acquire his food. Unfortunately, however, there are many people who try to get around this principle. We



call such people lazy. They find ways to get other people to work for them so that they can survive and enjoy life without having to work. They are content to live off the labor or generosity of others.

My Business and I

In this study, you will be exploring ways to begin and maintain a successful business. Appreciating the value of hard work is one of the first steps of this process.

Running a business means that sometimes you will have to do work that is not fun and that you really wish you didn't have to do. Will you be committed enough to your business that you will be able to keep working even when the work is hard and it doesn't seem like you are making much progress? What about when everyone else in your neighborhood or family is taking a break and you have work that has to be done?

A person's determination to keep working even when the work is not enjoyable often will mean the difference between success and failure. Sometimes we call a person's relationship to work his/her work ethic. How is your work ethic? What happens with your business in the weeks and months ahead will help to answer that question.

Remembering

1. What is one kind of work that God did?
2. God says that if a person doesn't work they also shouldn't do what?
3. What does work ethic mean?

In Real Life

Anwar had dreamed of running a small supermarket for a long time. His job in construction was hard on him physically and he dreamed of doing something that would require less physical labor. Besides that, he felt like his neighborhood could benefit from a small supermarket because there was no place to buy groceries within easy walking distance of his home. If he could open a supermarket in that neighborhood, not only would he be helping out his neighbors, but life would also be a lot easier for him since he wouldn't have so far to go to work!

Anwar lived in a second floor apartment and one day he came home to see that the shop right below his home was closing and a "For Rent" sign was on the door. Anwar was excited! After assessing how much money was in his savings account and talking to his wife, Majda, he decided that the time was right. Now was the time to open the supermarket.

Things went well for Anwar and Majda. The landlord was willing to rent the space to them. They were able to get some used equipment for a good price. They found a supplier from whom they could buy items in bulk and save quite a bit of money as they were stocking their store with supplies.

Anwar was happy. It felt like a dream had come true. Opening day came at the supermarket and many of the neighbors came and bought items. Anwar felt sure his business would be a success.

For the first few weeks everything went well. Anwar opened the supermarket at 10:00 every morning and closed at 8:00 in the evenings. He posted a sign in front of the store with the hours. He liked the new hours, especially since he could sleep later in the mornings than he ever had before.

Soon, Anwar began to notice something. He didn't have many customers in the morning. In fact, it was often 2:00 in the afternoon until business really started to pick up.

One night Anwar went to a birthday party for his nephew. He didn't get to bed until 3:00 in the morning. When it was time to get up and open the store, Anwar was tired so he decided, "I think I'll sleep a little longer today. Usually no one comes first thing in the morning anyway." Anwar did feel a bit guilty however, when he walked down to the store at 10:30 and saw the neighbor lady sitting on the sidewalk, waiting for him to open up.

In the days that followed, Anwar found it easier and easier to sleep in and harder and harder to open the store at 10:00 every morning. Some days it was as late as 1:00 or 2:00 in the afternoon until he opened the store. He justified this to himself by saying that not many customers came early anyway. But somehow, before long, it seemed

that there weren't very many customers in the afternoon and evenings either. And when Anwar began comparing sales, he realized he wasn't selling as much as he had earlier.

Group Discussion Questions

1. What were Anwar's reasons for wanting another job? Were they good or bad reasons?
2. What do you think about Anwar's approach to opening the business at different times? Will this be good or bad for his business? Why?
3. At the end of the story, Anwar's business is not doing so well. What are some things that he could do to make it more successful?
4. Anwar doesn't like to get up early. What about you? What are some difficult things that you will have to do to make your business work that you know you aren't going to like?
5. If you start the business you would like to start, what are some things you don't like to do that you will have to do anyway?

LESSON 2

Opportunity Is Knocking

The pessimist sees difficulty in every opportunity.
The optimist sees the opportunity in every difficulty. —Winston Churchill

Last Time

1. Last week we discussed _____ _____.
2. I implemented last week's lesson by _____ _____.
3. The results that I received when I implemented the lesson were these: _____ _____.
4. A question concerning this topic that I would like to discuss or need help with is _____ _____.

The Big Picture

Think back over your life. What are some opportunities you have had that you are thankful for? Did you have the chance to go to school, to learn more than one language, to spend long periods of time with a special family member? Are there opportunities you did not have that you wish you would have? What are they?

Opportunities are gifts given to us from God. And while it may sometimes seem to us like we have had very few opportunities compared to other people in the world, it does little good to focus on that. Rather, by being grateful

for the opportunities we do have, we become more aware of other opportunities that are available to us.

The greatest opportunity that every human has is the opportunity to know God, to experience His forgiveness when we have sinned, His strength when we are weak, His comfort when we are sad. Knowing God in a personal way transforms the way a person views every other situation in life.

Once we become acquainted with the all-powerful nature of God, we also recognize that every opportunity that we have comes from Him. We realize that even if we are struggling financially and it seems like everything we do is turning out wrong, He is able to make something beautiful out of the mess by providing us with opportunities that we have never considered or imagined. It is important that we believe in His power to do that and walk with Him day by day in simple trust.

My Business and I

As you think about starting a business, opportunities are something you will want to consider.

First, as you consider the type of business to begin, you will want to think about your abilities. What kind of work do you have experience with? What is something that you are particularly skilled in doing? Have your friends or family members mentioned that you are particularly gifted in a certain area?

You will also want to consider the needs in your community. Too often people try to start a business because they see someone else in the community who has been successful with that type of business. This, however, could be dangerous. If that person is already running that type of business successfully, there probably isn't a need for another one. So, what is missing? What kind of product or service do people in your area really need? Are people traveling a long distance to get something that you could provide for them much closer to their homes? Do you hear people complaining about something that is lacking?

If you have already begun a business, think about ways you could expand and make your business more successful. Ask your customers if there are items they wish you would sell or services they wish you would offer. If it is possible for you to travel to another city, visit similar businesses there and see what is working well for them.

Many times in business, there are opportunities waiting for us if we diligently look for them. In the days ahead, as you plan for your business, keep your eyes wide open for the opportunities available to you. To help you think more about business opportunities, complete the "My Opportunities" worksheet.

My Opportunities—Self Assessment

Strengths and Weaknesses

Put an S beside each item if you excel in that area. Put a W if you are weak. If you are not particularly strong or weak in that area, mark it with an A for average. There are several blank spaces for you to add items that are not listed.

Writing Reports	Creativity – Lots of Good Ideas	Inventing Things
Computer Skills	Delegating Responsibilities	Cooking and Baking
Basic Mathematics	Decorating and Arranging	Sewing
Accounting	Drawing and Graphic Design	Agriculture
Science and Nature	Persuading Others	
History	Advertising	
Music	Mechanics	

Now look at the items you have marked. Do you see any patterns? Do your strengths lie in related areas? Based on the items in which you are strong or average, in what types of businesses do you think you might excel? List several here:

_____

_____

Community Needs

Do the following types of businesses exist close to where you live? Mark YES or NO.

____ Auto Mechanic	____ Flower Shop	____ Restaurant
____ Bakery	____ Furniture Shop	____ Sheep Farm
____ Barber Shop	____ Graphic Design	____ Shoe Store
____ Book Store	____ Grocery Store	____ Small Engine Repair
____ Butcher Shop	____ Music Instructor	____ Tailor
____ Cleaning Business	____ Orchard	____ Taxi Driver
____ Clothing Store	____ Photographer	____ Typing Service
____ Copy Center	____ Produce Stand	____ Website Design

Look at the items that you marked with a NO. Do you think these businesses might be successful in your area? Do any of them utilize the strengths that you have? List here several businesses that fall into these categories. Opportunities may be waiting for you in one of those types of businesses. If you think of other types of businesses not listed above, list them as well. _____

_____

Remembering

1. What is the greatest opportunity available to man?
2. What are two things you should think about when you consider what business opportunities are available for you?
3. If there is a successful business in your city, would it or would it not be a good idea to try to begin a similar business? Why?

In Real Life

Ahmed just finished high school along with several cousins and a lot of friends. He is from a large family and lives in a mid-sized city. Because his grades on his end-of-high-school exam were only average, his parents decided not to send him to the university. So now Ahmed knows that he needs to think about how he is going to make a living, but that isn't as easy as it sounds. Good jobs are hard to get here, and he knows many people that are unemployed.

Ahmed's cousin Hussein, who is ten years older than he, has been driving taxi for several years. He has a nice home and seems to be making quite a bit of money and doing well. Some of Ahmed's high school friends are also planning to become taxi drivers. It seems like, in this city, driving a taxi is the surest way to have work so Ahmed decides to join them.

Ahmed hasn't been driving a taxi very long, however, until he realizes that it is going to be hard to earn very much money in this business. Whereas Hussein owns his own taxi and can keep all the taxi fares for himself, Ahmed is working for a taxi company and drives their car, so every day a good chunk of his earnings goes to the company.

Furthermore, Ahmed was assigned to drive taxi in a

specific neighborhood. It seems like every other car he sees there is a taxi. Many times when he sees someone on the sidewalk signaling for a ride, another taxi has picked them up before he gets there. Business is very slim. There are days when Ahmed doesn't even make enough to pay the taxi company their full share.

Again Ahmed talks to his family members and friends about his problem. He gets a variety of advice. Some say that the economy is bad and that there is no alternative but to stay in the job he is in. Others tell him he should take out a loan and buy his own taxi so that he doesn't have to give money to the taxi company. But one uncle tells him something completely different. He mentions how he often needs to have documents copied for his business and the closest copy shop is a ten-minute ride away. He says other people in his neighborhood have also complained about this. He offers to loan Ahmed some money if he wants to get started in this kind of business.

Ahmed doesn't know what to say. He doesn't know anyone who has a copy shop, but he does like machines and thinks it would be fun to tinker with a copy machine. But could he really make money with such a business? And then, he would really love to have his own car. But how would he ever pay for it? How long would it take to pay off such a loan? Is his best option really to just stay with the job he has?

Group Discussion Questions

1. Why did Ahmed decide to become a taxi driver? Were these good or bad reasons?
2. Name the reasons why Ahmed is not successful as a taxi driver.
3. What would you advise Ahmed to do at the end of the story? Why?
2. Think about the jobs you are considering. Are there any that you are considering doing just because you know someone else who is doing that job and being successful?

LESSON 3

What a Plan!

Failing to plan is planning to fail. —Alan Lakein

Last Time

1. Last week we discussed _____ _____.
2. I implemented last week's lesson by _____ _____.
3. The results that I received when I implemented the lesson were these: _____ _____.
4. A question concerning this topic that I would like to discuss or need help with is _____ _____.

The Big Picture

If you have ever taken a trip, even if it was just to a nearby city, you likely did some planning before you left home. You probably considered the weather when you were deciding what to wear. Perhaps you checked your money to see if you would have enough for transportation and any other costs you would have on your journey. Maybe you made a list of things that you would do on the trip or jotted down a list of items that you needed to purchase.

Planning for a trip is a good idea. But there are many other things in life that are even more important to plan for. One of the things that many people fail to plan for is

the end of their lives. They wake up each morning and do what feels good to them that day, but they don't stop to consider the end result of such a lifestyle. God has given us guidelines for how to live productive, fulfilling lives and how to arrive where we want to be when we get to the end of our lives. Making our plans according to His guidelines for us is the best way to live our lives, even though sometimes it may not seem like the easiest or most exciting.

We know that when we die, we will meet God. If we follow His plans for us here on earth and make our plans in cooperation with His, we can be prepared for that meeting. This is the most important planning we can do.

One of the things we need to plan for while we are still here on earth and before we come to the end of our lives is how we are going to provide for our needs and the needs of our family members. What are we going to do that will provide us with food, clothing, and shelter? How will we earn money so that we can meet our basic needs?

While some people are content to wait for an organization or wealthy person to help them, God wants us to do everything in our power to provide for our own needs. Throughout this course, by using the minds He has given us and the resources that we have or that have been loaned to us, we will be planning and implementing a business that can provide for our needs.

My Business and I

Before you launch your business, it is essential that you have a plan. Trying to begin a business without a plan is a good way to ensure that your business will fail. By taking the time to adequately think through many details surrounding your business before you begin, you will be able to avoid many common problems that you would otherwise face.

While it is possible to make plans in your mind, the most effective plans are written down. If your plan exists only in your mind, you will likely find that you forget parts of it as time goes on. And a written plan is something that you can show to someone else who may share your vision and be a help to you.

As part of today's lesson, you will be writing out your business plan. This form is included at the end of this lesson. Specific instructions for how to fill out each section of the plan are given here. You will want to refer to them as you fill out your business plan.

What are your business goals?

Here you will want to write the reasons you would like to start this business. Is there a specific need you are working toward? Do you need money for food for your family or to send your children to school or for everything? What do you hope will happen with your business over the next few years? There is no right or wrong way to answer this question. Answering it will help you think through your goals and how you hope to reach them.

Describe your interest and/or experience in this type of business

In this section, name the type of business you are interested in, and tell why you chose this business. Does it match with your gifting and interests? Have you worked in this type of business before? Do you have experience doing the types of things you will be required to do in this business? If you do not have experience in this kind of business, explain how you are going to overcome this problem.

Is there a need for this business?

In Lesson 2, we discussed the importance of choosing a business that your community needs. In this section, explain why you feel that your community needs the kind of business that you are proposing. Explain what you hope to provide that others in your community are not providing.

Describe your recordkeeping system

In order to know how your business is doing and whether or not you need to make changes, it will be very important for you to keep detailed records. You

will learn more about this in later sections of this manual. For now, however, think about how you will keep records and write it down. If you have a computer, you might want to keep your records there. A simple notebook would also work. By listing each day all of your expenses and all of your income and finding the difference at the end of each day, you will be able to know how much profit or loss your business is making.

Write out your business plan

For this section, you will probably want to refer to the sample business plan in your manual to get ideas on how to set up your own plan. Here you will list exactly how much money you think you will be able to get on an initial loan and what you will do with it. Name the items you will buy and how they will be used. List the expenses that you will have and the profits you expect to make and note the difference between them. Name the location for your business and explain whether or not you think it will be good for attracting customers.

Remembering

1. What are the most important things to plan for?
2. Why is it a good idea to write down your business plan?
3. What are some things you will need to include in your business plan?

In Real Life

Ayesha was the oldest of the eight children in her family. When she was sixteen years old, her father had a sudden heart attack and died.

The family had been poor before, but without the income from Ayesha's father, the family struggled to survive. Ayesha's mother tried to earn a little money by washing and ironing clothes for the neighbors, but the amount of clothes she was able to wash in a day didn't bring in enough money to meet nearly all the expenses. Many times the children went to bed hungry.

While her mother worked, Ayesha did the household jobs like cooking and cleaning. But as she observed her family's situation, she desperately wanted to do something else to help. She wanted to work, but it didn't seem like anyone was hiring young girls like her. Besides, her mother really needed her at home. She and her mother prayed that God would send a foreign organization that would have pity on them and provide for them, but that didn't seem to be happening. They talked about opening some kind of business at home, like a store or bakery or a bigger laundry service but those things would take big sums of money to start, and that money just wasn't available.

Then one day, Ayesha's friend Samira told her about a group of women in the town who were helping each other save money in order to start small businesses. Once a week they met and each one added a small amount of money to a fund. Then, after some time, each of them could borrow money from the money that they had saved together. They could use these borrowed funds to start a business.

Samira was in one of these groups and she tried to persuade Ayesha to join as well. But Ayesha was skeptical. First of all, where was she going to get the money to contribute each week? Secondly, she would have to contribute money for several months before she got her first loan. And then, the sizes of the loans that the people received were small, barely large enough to start a business.

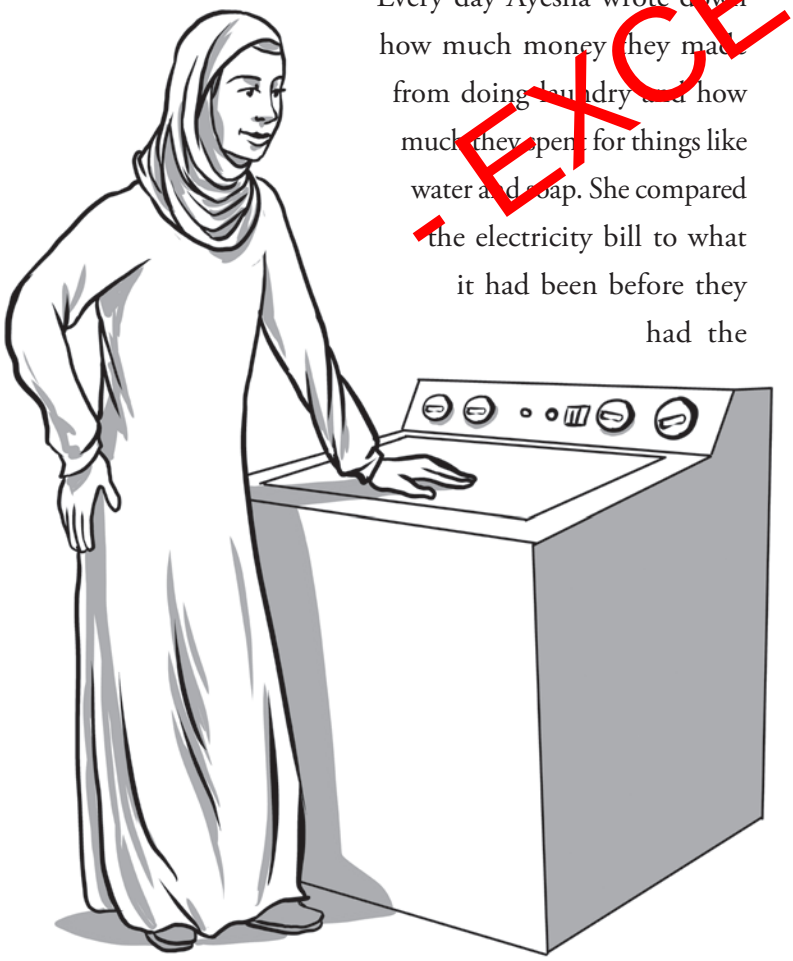
When Ayesha told her mother about the idea, however, her mother was supportive. She reminded Ayesha that they had been praying for a solution to their problems and that maybe this was God's way of answering their prayers. She suggested that perhaps Ayesha could do some washing and ironing as well to earn the money to take to the savings group each week.

It wasn't hard to find new customers, but doing this work in addition to her regular household jobs meant that Ayesha was able to sleep two hours less every night. She was happy though because she was earning a few dollars each week doing laundry. All of the money that she

made went to the savings group. Some weeks she had to work almost right up until the meeting time to have enough money to take to the savings group meeting.

Then, one day, after many weeks of meeting together and saving money, it was Ayesha's turn to qualify for a loan. Before she could receive the loan, however, she needed to complete a business plan. This was not difficult for her because she and her mother had discussed this in advance and had careful plans for how they were going to handle their funds. They would use them to buy a washing machine.

Once they had a washing machine, Ayesha and her mother were able to significantly increase the amount of laundry they did. However, they were limited now by the amount of space they had to hang things to dry. Even though they had lines all across the porch of their home and crisscrossing the roof, they all soon filled up with the laundry they were drying. On rainy days, it took a long time for everything to dry.



Every day Ayesha wrote down how much money they made from doing laundry and how much they spent for things like water and soap. She compared the electricity bill to what it had been before they had the washing machine to see how much the electricity for the washing machine cost. Every week at the savings meeting she took money from their earnings to repay the loan until one day, she rejoiced that the loan was completely repaid.

The savings group saw how hard Ayesha had worked and how faithfully she had repaid the loan. Now they were willing to give her another loan and this time Ayesha and her mother purchased a dryer.

With the added amount of laundry that the dryer allows them to do, Ayesha and her mother are now able to buy food for the family in larger quantities. They can plan meals in advance instead of scrounging around for enough food for every meal. The younger children in the family are able to attend school again because they can afford the school fees. Now, the family is planning for the future. They would like to rent a room in a more populated area of town where they can house their business. By moving to an area where more people live, they will increase their business. And as Ayesha's younger brothers and sisters get older they will be able to work in the laundry business as well, allowing them to handle more customers.

Group Discussion Questions

1. Why was Ayesha's business successful? Name three reasons.
2. Explain how planning was important to the success of Ayesha's business. Review the sample business plan that she completed. Do you have any questions about it?
3. Why do you think Ayesha and her mother picked the business that they did? Was this a good business to have?
4. What do you think about Ayesha's plans for the future? Is there anything you would change? Do you have ideas for any other plans she should consider?

Sample Business Plan

Here is a copy of Ayesha's business plan from the story "In Real Life."

What are your business goals?	1. I want to earn more money so that my family has enough food to eat. 2. I would like to earn enough money so that my younger brothers and sisters can go to school. 3. I would like to earn enough money so that my mother does not have to work so hard. 4. I want to buy a washing machine so that we can do more washing and ironing in a day, thereby increasing our income. 5. In the future, I would like to purchase a dryer so that we can do even more laundry.
Describe your interest and/or experience in this type of business.	1. My mother has been doing laundry by hand on a washboard for many years. She has also been ironing. The neighbors all know that she is good at it and recommend her to their friends. 2. In recent times, I have started to help my mother with this business. Although I am not as good as my mother, I am learning and the people are willing to give me work because they assume that my mother has taught me to be careful like she is. 3. I feel a real sense of accomplishment when I get a bag of dirty, wrinkled clothes from a customer and can return them clean and pressed.
Is there a need for this business?	1. My mother often has more requests for laundry than she can do. She has to turn away customers because she also has to take care of all of the children. 2. We only get customers from a small neighborhood around our home. If we had a washing machine so that we could do more laundry in a day, we could go to the surrounding neighborhoods to collect and deliver their clothes. 3. In the future, we have dreams of moving this business to a much busier part of town where we would have even more customers.
Describe your record-keeping system.	1. I will use a notebook. Each day will have a separate page in the notebook. At the end of the day, I will make two columns, one that lists earnings and one that lists expenses. 2. I will compare our water bill and electricity bill to months when we did not do laundry to figure out how much money these things are costing us each month. 3. At the end of each month, I will total up income and expenses from each day in the entire month to get a better picture of how the business is doing.

Write out your business plan:	*Loan* I will get $250 for my first loan. I plan to use it in this way: $240 – washing machine $6 – laundry soap for one week $4 – clothes pins to hang up laundry *Expenses* The ongoing expenses I will have in this business are the costs of soap, water, and electricity. Because I will be using the washing machine regularly, I will probably also need to pay for repairs on the washing machine at times. Here is a breakdown of my estimated monthly expenses: Laundry Soap: $25 Water: $30 Electricity: $65 Repairs: $50 TOTAL ESTIMATED EXPENSES FOR ONE MONTH: $170 *Income* Without a washing machine, my mother was earning about $4 a day doing laundry. With the machine, we think we will be able to do three times as many clothes and hope to earn $12 each day. We will take off one day each week which means that there are about 26 days for us to work each month. This would mean that our estimated earnings for the month will be $312. The difference between our estimated income and expenses will be $142. We will use this money to repay our loan, and to pay for food and school expenses. *Location* At this time our business will be located in our home because we cannot afford to pay for another place. Our home is not in a central location but we do not think this will be a problem because a lack of customers has not been our problem in the past. In the future, after we have saved more funds, we would like to move to a location where we could get more business.

Business Plan

(Refer to the instructions in the Section "My Business and I" for help in completing this form).

What are your business goals?	
Describe your interest and/or experience in this type of business.	
Is there a need for this business?	
Describe your record-keeping system.	

Write out your business plan:	

LESSON 4

You Need a Budget

Everybody wants money, yet seldom will anyone budget or control their spending. —John C. Maxwell

Last Time

1. Last week we discussed _____ _____.
2. I implemented last week's lesson by _____ _____.
3. The results that I received when I implemented the lesson were these: _____ _____.
4. A question concerning this topic that I would like to discuss or need help with is _____ _____.

The Big Picture

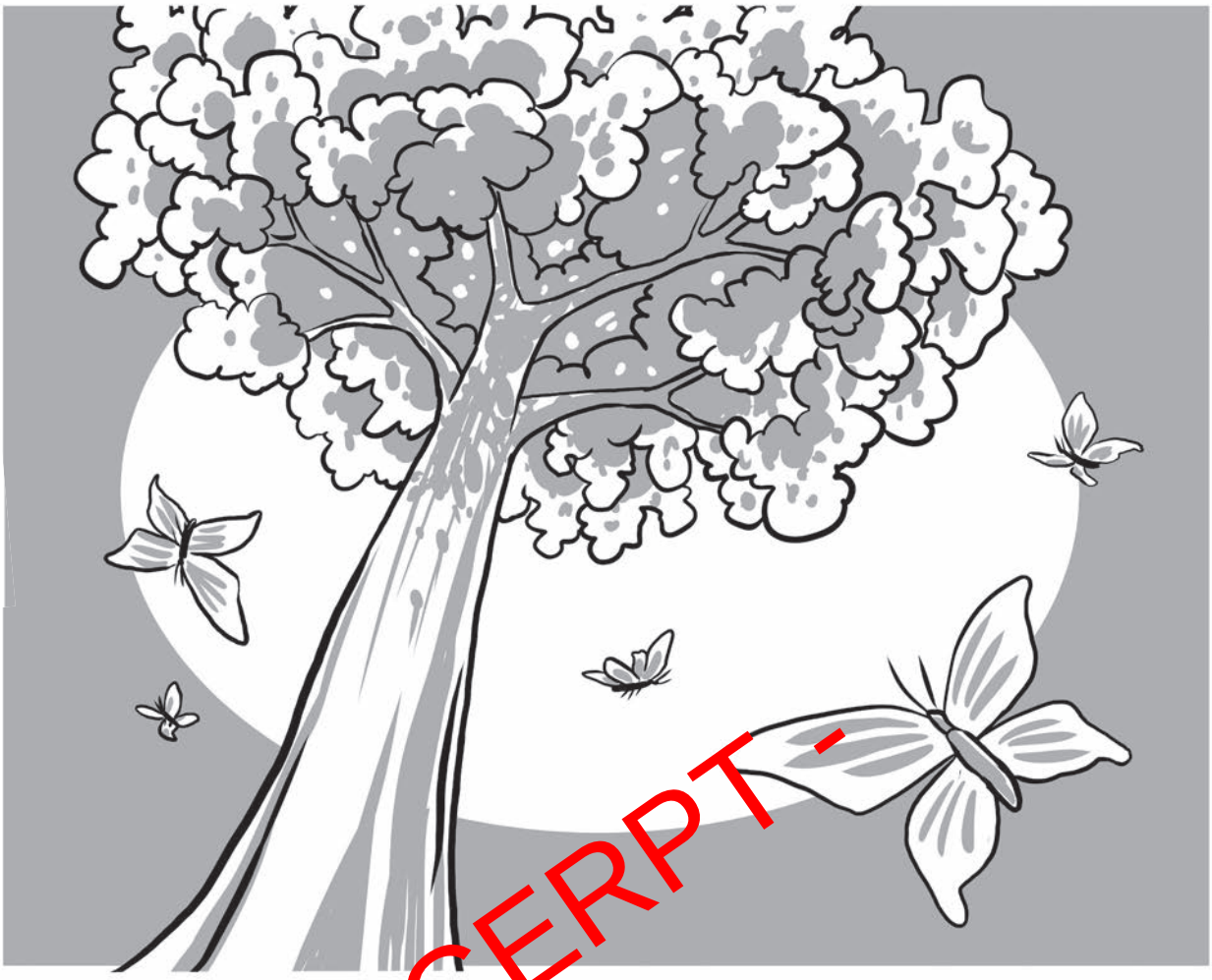
Imagine for a minute that you are standing in the middle of a forest, away from buildings and people. Your eyes take in the tall trees ascending high into the sky above, standing tall and straight, with branches symmetrically extending in both directions. You hear the call of birds as they flit from tree to tree. The smell of leaves and rich earth is in the air. There is a sense of peace and perfection. The environment is natural and unspoiled.

When God created earth, He infused it with order and logic. That order is obvious to the most casual observer who spends time in God's creation. And for those who dig deeper, the natural marvels to be discovered are endless. Consider these.

- That a gigantic tree of immense weight can stand motionless in space without toppling reveals the work of an amazing Designer who gave it a network of invisible roots that hold it in place.
- That birds and butterflies can migrate, sometimes over thousands of miles, and then return to the exact place where they began reveals an amazing sense of time and place implanted by God.
- That animals like squirrels stockpile food supplies for approaching winter in cold weather climates, reveals a God-given instinct to prepare and plan for the days ahead.

We, being made in the image of God, are also called to demonstrate order in our lives. In a hectic world where many demands are placed on us and many voices call for our attention, our lives at times become disorganized and harried. We find ourselves giving our time, our money, and our affections to a variety of unrelated causes and feeling incoherent about what we really hope to achieve. In times like these, God calls us back to Himself with this simple invitation: Be still, and know that I am God.

As we meditate on God and His character, we want to become like Him. One way we do that is by organizing



our lives so that they reveal some of the order and purpose that is evident in His creation. In doing this we will make good use of the things He has blessed us with: our money, our time, and our relationships. This will have a profound impact on the way we manage our businesses.

My Business and I

In the last lesson, we discussed business planning. We talked about how important it is to have definite plans before starting a business. But planning doesn't stop once the business has begun. Rather, a good business needs to be constantly looking ahead, deciding what needs to be changed and what should stay the same.

Those decisions can be challenging. But they are made much easier with the help of a budget! A budget is simply a plan about how to use your finances. It tries to accurately identify your expenses and income and ensure that your expenses do not exceed your income. By itself, a budget cannot solve financial problems, but it can help identify where problems lie and can help you meet your financial goals.

Many people feel like they don't need budgets. They see that they are earning some income every day and they like the feel of the money in their pockets. But unless a person is keeping good records of all the money that is earned and spent and making accurate comparisons between the two, it is impossible to know exactly how a business is doing.

Creating a budget does not need to take a lot of time. A budget can be very simple yet at the same time effective. Having a basic budget in place can help you know whether or not you can really afford a purchase. Just because you have money on hand does not mean that you should make a purchase since the money you have on hand may be needed for an upcoming expense.

In this lesson, you will create a budget for your business

using the forms included at the end of this lesson.

Remembering

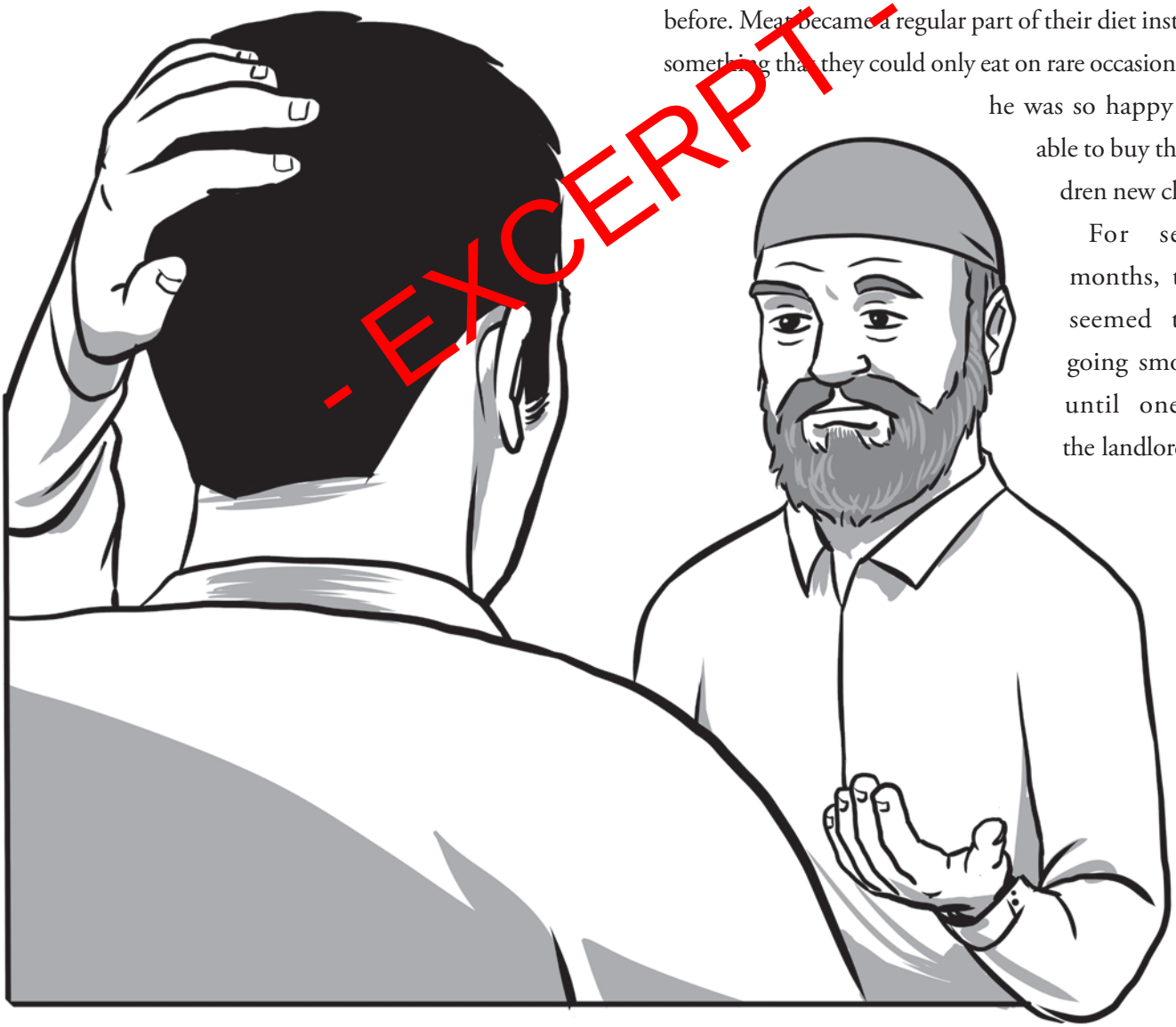
1. What are some ways that you have seen order and design in God's creation?
2. What are two things that a good budget will do?
3. Why do some people feel like they don't need budgets?

In Real Life

Suheil was excited. After years of struggling to feed his family, it looked like better days were ahead. He had just gotten his first loan! Suheil had been planning for this day for a long time. He had meticulously completed a business plan and knew exactly how he would spend this money. He was planning to open a small snack stand near his home.

Suheil used the money from the loan to pay the first month's rent for the stand and to buy snacks to put on the shelves. Soon, children from the nearby school found out about his stand and on their way home from school, they would stop and purchase snacks. Everything was going according to his plan and Suheil was elated.

In fact, Suheil's income was even more than he had planned for. The amount of money coming into his pockets was unlike anything he had ever seen before. Every week Suheil took out the amount that he needed to repay his loan. Still there seemed to be plenty of money left over. Now, not only did his family have enough to eat, but they were eating foods that they could never afford before. Meat became a regular part of their diet instead of something that they could only eat on rare occasions. And he was so happy to be able to buy the children new clothes. For several months, things seemed to be going smoothly until one day the landlord who



owned the snack stand came by to collect the rent. Suheil looked at him dumbfounded. He had completely forgotten about the rent money for this month. Just the day before he had bought more snacks for the store, groceries for his family, and shoes for his one son. He had almost no money available! What was he going to do?

The landlord agreed to take a small amount of the rent as down payment and come back later in the week since Suheil had been faithful in paying his rent before. But Suheil wasn't sure if he would be able to have that much money available even later in the week! He wondered if his savings group would give him another loan. Thinking about his savings group made him think about something else. What would the loan instructor say about this? Hadn't he talked about a way to avoid being caught with unplanned-for expenses? What had he said in one of the last classes about the importance of a budget? Suheil wished now he had listened better, but his business had been doing so well that he really hadn't felt like he even needed to go to those meetings anymore.

Group Discussion Questions

1. What are some things that Suheil did correctly when his business began?
2. What are some ways that having a budget would have helped Suheil? How did he suffer because he did not have a budget?
3. Even if Suheil would have had a budget, what are some ways he could have gotten into financial trouble?
4. What are the differences between a business plan that you write before the business begins and an ongoing budget that you keep from month to month?
5. Look at the Sample Budget that Suheil could have used. How would a budget for your business look similar? How would a budget for your business look different?

SAMPLE

Projected Business Budget

Name: Suheil's Snacks Date: April 5, 2014

Monthly Projected Income		Monthly Projected Expense	
Income Description:		*Expense Description:*	
1) Sales of Chips	$60.00	1) Cost of Chips	$35.00
2) Sales of Nuts	$70.00	2) Cost of Nuts	$40.00
3) Sales of Chocolate Bars	$80.00	3) Cost of Chocolate Bars	$45.00
4) Sales of Cookies	$55.00	4) Cost of Cookies	$30.00
5) Sales of Soda	$90.00	5) Cost of Soda	$55.00
6) Sales of Fruit Juice	$70.00	6) Cost of Fruit Juice	$40.00
7) Sales of Gum	$35.00	7) Cost of Gum	$20.00
8)	$	8) Stand Rental	$50.00
9)	$	9) Loan Repayment	$30.00
10)	$	10) Interest on Loan	$3.00
Total Monthly Income:	$460.00		$348.00
	↓		
Total Monthly Income:	$460.00		
Total Monthly Expense:	-$348.00		
Total Monthly Profit:	$112.00		

Projected Business Budget

Name: _____ Date: _____

Monthly Projected Income		Monthly Projected Expense	
Income Description:		*Expense Description:*	
1)	$	1)	$
2)	$	2)	$
3)	$	3)	$
4)	$	4)	$
5)	$	5)	$
6)	$	6)	$
7)	$	7)	$
8)	$	8)	$
9)	$	9)	$
10)	$	10)	$
Total Monthly Income:	$		$

	↓
Total Monthly Income:	$
Total Monthly Expense:	-$
Total Monthly Profit:	$

LESSON 5

Whose Advice?

Watu wengi hupokea ushauri, lakini ni wenye hekima tu wanaonufaika nao. – Harper Lee

Last Time

1. Last week we discussed _____ _____.
2. I implemented last week's lesson by _____ _____.
3. The results that I received when I implemented the lesson were these: _____ _____.
4. A question concerning this topic that I would like to discuss or need help with is _____ _____.

The Big Picture

Do you remember the day you were born? The day after? Do you remember when you were one month old, one year old, or even three years old? Most of us have no recollection of those first few years of life. So what happened in those years?

Observing how our world operates, we rightly conjure that we were born as helpless infants, unable to walk or talk, powerless to clothe or feed ourselves. So what happened? How did we get enough to eat so that we didn't starve to death? How did we stay warm enough so that we didn't freeze? What kept us from being smashed by falling objects, driven over by moving objects, or infected by poisonous substances?

The answer to all of these questions is: other people. For most of us, it was probably our parents who acted as these benevolent lifeguards, doing everything in their power to ensure our safety and well-being. But amazingly, in the time frame in which they were most actively providing and caring for us, when their care for us was at its peak, we least remember it.

As we grow older and assume more and more care for our own bodies, it is increasingly easy to forget the assistance that others have given us. At times seemingly successful people are naïve enough to proclaim that they reached their position of success purely by their own efforts. In reality, however, they are ignoring the fact that they would have never made it past infancy if it had not been for the nurture and care of another human being.

The truth is that we need each other. While we often imagine that our need for others diminishes as we grow older, that need really only changes forms. As adults, we need to hear the wisdom that others have to share with us. We need to benefit from their experience, their skills, and their perspectives. If we are humble enough to recognize those needs, in the long run we will be profoundly blessed.

My Business and I

As you begin to operate your business, you will undoubtedly find yourself facing many decisions. You may need to decide whether to buy better-quality products that are more expensive, or lower-quality products that are cheaper. You may need to decide when to open your business and when to close it, or how to display the items that you have for sale. Sometimes you will have to decide how to best spend the money that you are making, and whether it is better to continue growing your business or to be content with the status quo.

If you are left to make all of these decisions by yourself, you will soon become overwhelmed. You may end up making decisions that you will regret later or you may stall around and not make any decisions and let good opportunities slip away.

As you face decisions like these, you can benefit greatly from the advice of others. While many times our human nature tries to get us to believe that we can do things on our own, we are only fooling ourselves if we believe that we know all of the answers and do not need advice. People who have worked in a similar business themselves will often have invaluable advice for you about ways to improve your business. Older people in your family or community may be good resources when you have questions about ethics, legal issues, or finances.

It is important to keep in mind, of course, that not all advice is good advice. This is why it is usually helpful to get several opinions and go with what the majority says. When doing this, however, it is imperative to choose your counselors wisely. Do not only ask advice from people that you think are likely to give you the answers you want to hear.

Remembering

1. What are some things in business about which it is good to get advice?
2. If you have to make all of the decisions about your business by yourself, without any support from others, what are some things that could happen?
3. Give some examples of times in your life in which you have benefited from the advice of others.

In Real Life

Maha is a widow who just received a small loan. She

is going to use the money from the loan to open a small shoe store in the market in her village. Once a week, the shoe salesman will come to her store with a catalog and she will order the shoes that she wants to sell in her store. One week later, the shoes will be delivered.

Maha is very happy about this opportunity. But then the time comes to order the first shoes. The catalog is very thick and there are hundreds of kinds of shoes. For Maha, who has spent periods of her life without any shoes at all because she could not afford them, it is overwhelming to try to decide which shoes to order. For women, should she order lots of brightly colored shoes with high heels or should she stick to more of the dark, conservatively-styled shoes that would certainly be more comfortable? For men, should she order more of the stylish black and brown models with pointed toes, or more of the heavy-duty boot-type shoes?

After spending several hours paging through the catalog, marking down an order, and then going back and erasing it time and again, Maha was in despair. She had had no idea that it would be so difficult to decide which shoes to sell. She decided it was time to get some advice from others.

First Maha went to the home of Sahar, her next door neighbor. Sahar was a young mother with two small children. She was happy to help her friend Maha by giving her advice about what shoes to purchase. Not only did she tell Maha what kind of shoes she herself would favor, she also pointed out a variety of shoes in the men's section that she was sure her husband would like.

Maha thanked Sahar and headed home. She was tired of thinking about this and just about ready to follow Sahar's advice and order the shoes she had suggested. But then she thought of something else. Her aunt Fatima who lived several blocks away had once operated a shoe store in another town. Maybe she would have some ideas about which shoes would sell best. Maha really didn't feel like walking over there though, and she wanted to finalize the order. She wondered whether it was worth her time to get another opinion.

Group Discussion Questions

1. Was Maha wise to get advice from others about which shoes to buy? Why or why not?
2. Would you advise Maha to get advice from her

Aunt Fatima or to go with what Sahar advised? Explain your answer.

3. If Aunt Fatima's advice is different from Sahar's whose advice would you follow if you were Maha? What might explain the differences in their opinions?

4. What are some questions pertaining to your business for which you would like to have good advice right now? Who are some people that you could go to for advice?

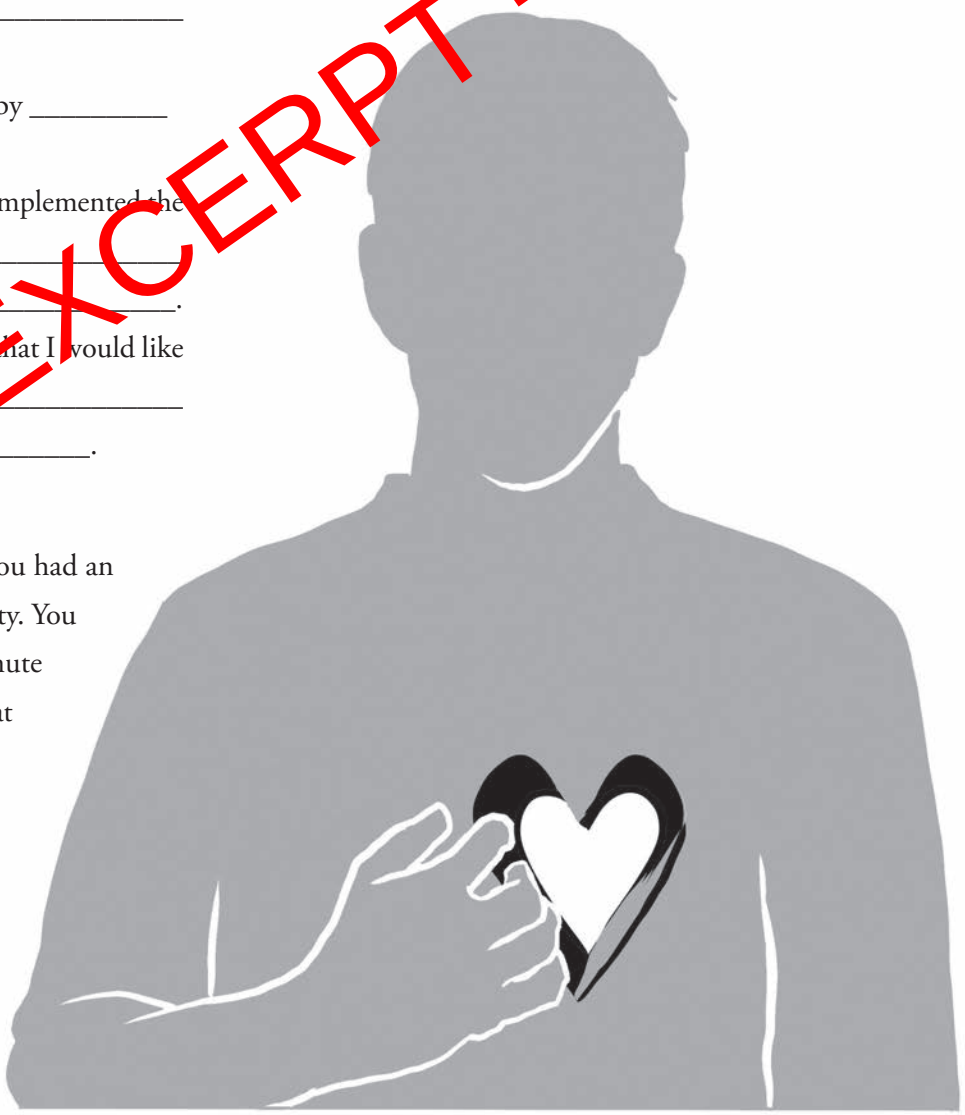
LESSON 6

Creating Customers

Make them want what you have.

Last Time

1. Last week we discussed _____ _____.
2. I implemented last week's lesson by _____ _____.
3. The results that I received when I implemented the lesson were these: _____ _____.
4. A question concerning this topic that I would like to discuss or need help with is _____ _____.



The Big Picture

Imagine with me for a minute that you had an amazing and unprecedented opportunity. You would be given one minute and one minute only, but anything you could name in that time frame would be instantly delivered to you. What would you name?

Of course such an opportunity will never arrive, but considering the possibility forces us to consider something important. What is it that we most desperately want? What is it that we long to have?

While most of us would agree that we often feel an unsatisfied yearning for something, when confronted directly with the question of what it is, we may find that difficult to articulate. While many people would name something tangible—more money, a new home, a vehicle, or land—even those who have plenty of those tangible items still find themselves grasping for something else.

The reality is that the deepest longings of the heart cannot be met with material goods. And people, whether they realize it or not, are really longing for relationship with God. Just as an orphaned child grows up mourning for the father and mother he/she never knew, so our hearts are sad and desperate until they find communion with the one who created them, Almighty God. But once a person has come into relationship with God, everything changes. Although our outward circumstances may remain the same and even though they may be difficult and challenging, being assured that God sees, understands, and walks with us through everything we encounter brings hope and courage for living.

It is tragic that in our world, many people are unaware of their true need. While they blindly grope around for what they hope will bring them happiness and satisfy the nameless ache in their hearts, they often ignore and even scorn the real solution to their problems. They need someone to introduce them to their Creator who also wants to be their daily Friend.

My Business and I

Now, as we switch topics and think about business, let's consider a few parallels that can be drawn. Your customers, too, will often be unaware of products or services that could really benefit their lives. Perhaps there is a product that that they have never used, either because they didn't know it existed or they couldn't imagine how it would benefit them. In such cases, your job as a business owner is to introduce them to products and services that will work for them and meet their specific needs. We'll call this process creating a need.

An example of someone who created a need is the person who invented the cell phone. Before cell phones existed, people could not imagine that such things were possible, and they were content to live their lives without them. But when people realized what cell phones could do for them and how the phones could simplify their lives, they suddenly felt a need for them. Now that people and society have become accustomed to cell phones, for many people it is hard to imagine life without one.

Creating a need requires you to persuade people around you that the product or service you are providing is worth the cost. If customers do not have extra cash available, then your product or service must be able to replace a cost they are currently incurring. Sometimes this may mean selling a product in your community or neighborhood that is being sold elsewhere but no one is selling locally. When you do this, you will likely need to advertise the product and introduce it to the community since people will need to be persuaded to try a product or service they are not used to. Sometimes just offering to deliver a product you already sell can increase sales tremendously.

If you are operating a store, you have a good opportunity to introduce customers to products they may not be familiar with while they are shopping for staple items. Be prepared to describe the benefits of new items. Sometimes reports from other customers who have used a certain product can be helpful.

It is, of course, very important that all your claims and comments are truthful. Be willing to share the disadvantages of a product as well as its advantages. Exaggeration creates distrust. Your customers need to learn, over time, that what you say is completely true. The proof that you have truly created a need is when customers try the product or service and then continue to purchase it, convinced that it really is as good as you said it was.

Remembering

What is a longing people have that cannot be satisfied

with tangible things?

5. As a business owner, what does it mean to create a need?
6. When you tell customers about a product or service, why is it important that everything you say is true?

In Real Life

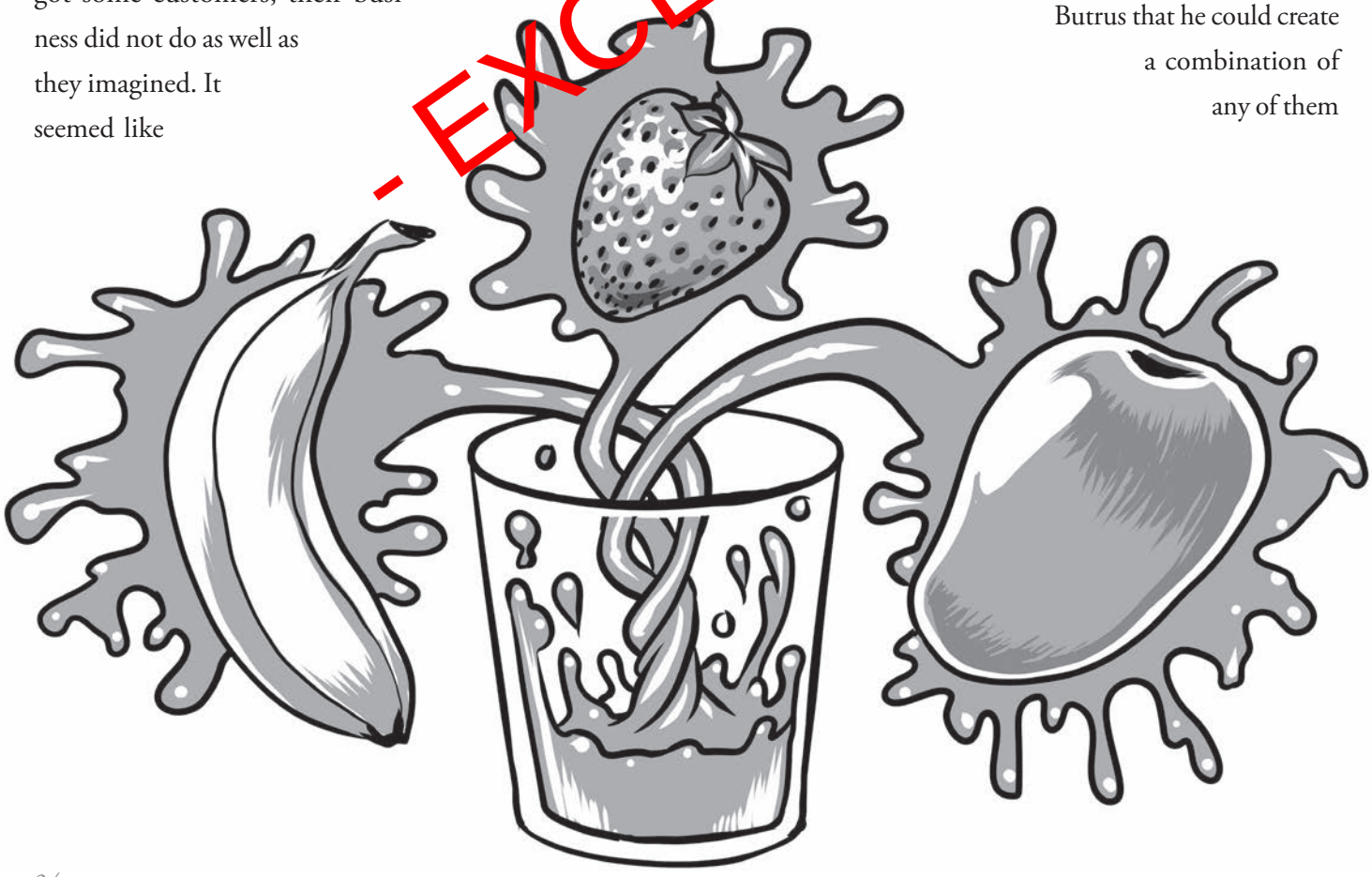
Butrus is a young Palestinian who lives in the city of Qalqilya. Recently he and his cousin Maher opened a juice stand together in the downtown area of their city. Their stand seemed like a good place to sell juice because, even though there are many juice stands in Qalqilya, there were none within several blocks of theirs.

Butrus and his cousin keep the juice stand well-stocked with carrots, oranges, and pomegranates. When thirsty customers come to their shop, they can choose which kind of juice they prefer and Butrus or Maher will squeeze it for them on the spot.

Butrus and Maher soon found that although they got some customers, their business did not do as well as they imagined. It seemed like most people, if they could even afford freshly squeezed juice, already had a favorite place to buy it. Even though Butrus and Maher's stand may have been closer, many people kept on going to the juice stands that they had been patronizing for years already. After all there were at least eight juice stands in the city and all of them sold freshly squeezed carrot, orange, and pomegranate juices.

One day, several months after their business had started, Butrus traveled to Jordan to attend the wedding of his cousin. The day after the wedding, before traveling home, he was walking through the city of Amman when a shop window caught his eye. Inside the glass window of the store was a colorful display of fruit, skillfully stacked and artistically arranged. The shop owner saw Butrus taking a second look and called out to him, urging him to try a glass of their freshly squeezed juice.

Butrus was curious so he lingered. Before he could ask any questions, however, the shop keeper started listing all the kinds of juices he offered. Not only did he name a dozen kinds of fruits, but he also told Butrus that he could create a combination of any of them



or serve him a cocktail that was a combination of them all.

Butrus was intrigued. This was unlike any juice stand he had encountered in the city of Qalqilya. Ideas started popping into his mind. He sat down and ordered apple-mango-strawberry juice. While he waited he began talking to the friendly shop-keeper, asking him lots of questions! They were still talking after Butrus had finished the juice so he decided to try the combination cocktail. Both of the glasses of juice were delicious!

As soon as Butrus arrived back in Qalqilya, he sat down with Maher with a proposal. At first, Maher was skeptical about adding new fruits to their juice menu. "People here are only accustomed to drinking carrot, orange, and pomegranate juices," he said. "They won't even want to try something they aren't used to drinking."

But, in the end, Butrus's persuasion won him over, and by the end of the week, the cousins' juice stand had a colorful display of fruits with a brand new sign promoting the new flavors of freshly-squeezed juice. Butrus was standing by the street offering passersby free samples of strawberry-banana-mango juice or fruit cocktail.

Group Discussion Questions

1. What are some reasons that the juice stand was not very successful at the beginning of the story?
2. Do you think the juice stand will be more successful now than it was before? Why or why not?
3. What is one thing that Butrus is doing at the end of the story to convince customers that they need to try his product?
4. Think about your situation. Are there products or services being sold in neighboring communities that are not being sold in yours? What are they?