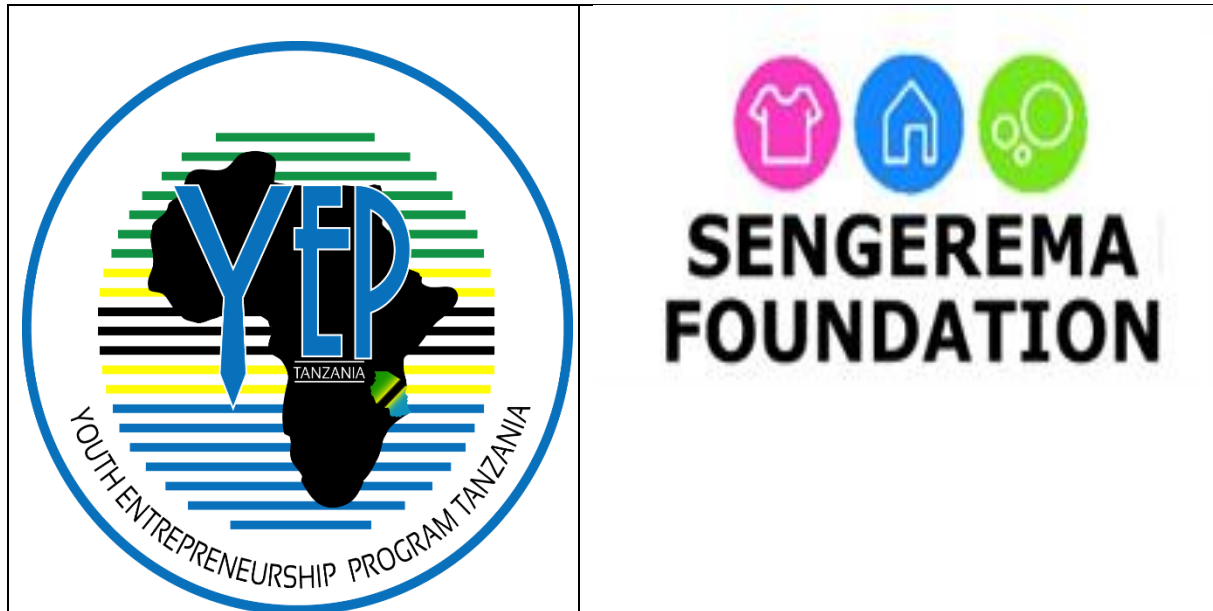


# YEP TRAINING – Arusha class 3, 2019

Report Q2 2019



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## **Content**

<b>1. Introduction – looking back</b>	<b>p. 3</b>
<b>2. Kick off class 3 2019</b>	<b>p. 3</b>
<b>3. Intake classes</b>	<b>p. 4</b>
<b>4. Financial Management classes</b>	<b>p. 5</b>
<b>5. Empowerment classes</b>	<b>p. 9</b>
<b>6. TRA class</b>	<b>p. 10</b>
<b>7. Update Themis Living Garden</b>	<b>p. 11</b>
<b>8. Coaching and monitoring</b>	<b>p. 11</b>
<b>9. Going forward</b>	<b>p. 14</b>

## 1. Introduction – looking back

In the months of February / March / April the dedicated teams from TCCIA, TRIAS and YEP did a lot of promotion activities for class number 3. There were several interviews on the radio, shops were visited, flyers distributed and meetings held.

This resulted in a large number of applicants; 94 in total! All of them were invited to join the kick off meeting on 24<sup>th</sup> of April.

## 2. Kick off class 3 2019

**24 April 2019**

**Number of students: 55**

Thanks to TRIAS' hospitality, we could host this event in the beautiful garden of TRIAS. Representatives of TRIAS, TCCIA and YEP were there. Also, the regional trade officer, mr Nusu, was present to join this event and gave a positive speech at the end of the event.

Four of our former students from class 1 and 2 were invited to give their testimonies on YEP. This was a great success and inspired the new students.



*Bart Casier, regional director TRIAS East Africa*



*Jeroen Vegt, country program manager YEP Tanzania*



*Sia Charles, executive secretary of TCCIA Arusha*





Neema Mollel (shoes)



Prisca Mwakalasi (cakes & bites)



Hamida Athuman (sunflower oil)



Simon Pascal Magere – handing over one of his paintings to mr Nusu



### 3. Intake classes – determine challenges and learning goals

#### April

#### Number of students: 64

At the end of the kick off meeting, we divided all the applicants in to groups (9 groups in total), according to their business. With each group we agreed on a date and time to have the intake class.

We made the following groups: fish farming, poultry farming, making & baking, saloon & tailoring, phone & stationary, Themis Living Garden, clothes & cosmetics, home needs / trade and the 'specials'.

With each of these groups we discussed in a separate meeting their challenges and learning goals. This way of working is new compared to previous years where we started the basic financial classes with the entire group of students together. The new way of working turned out to be successful because we can offer a tailor made learning package for each group, based on their needs and also in the timeframe which suits them best.



Students of the saloon & tailoring group filling out the intake form in which questions on their business are asked.

#### 4. Financial Management classes

##### May and June

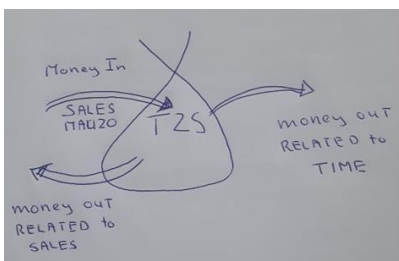
Number of students: 54

The following classes were part of the Financial Management block:

- Basic record keeping
- '10 mistakes'
- Selling Price
- Fixed and variable costs
- Knowing margin to select products
- Financial planning
- Wallets

##### Basic record keeping

In this class we started by explaining the concept of 'money in' – 'money out' and fixed costs vs variable costs.



After that a short theoretical part and an example of record keeping for money in and money out followed. See an example of the 'money in' book below.

<b>Date</b>	<b>Product</b>	<b>Quantity</b>	<b>Price</b>	<b>Sales</b>	<b>Remarks</b>
¼	Eggs	200	225	45.000	Mbeya market
¾	Chicken	3	5.000	15.000	To Amina Shop

Following the theoretical part, the students started practicing by solving cases in small groups of 3 – 4 people. This interactive part was very well received by all the students; it helped them open their mind, share ideas with others and get familiar with doing record keeping.

Even the students who are in business for some years found this method of keeping records useful and it was an **eye opener** for them to see how simple and efficient it is.



*Students work in groups on the cases*

### **'10 mistakes'**

In this class the following 10 potential mistakes in doing business were discussed:

- *Spending Too Much Too Soon*
- *Overestimating Future Sales*
- *Failing to Manage "Money in Money out"*
- *Not using correct Prices*
- *Mixing Personal and Business Finances*
- *Confusing Profit with Cash Money*
- *Not paying Taxes*
- *Too few Investments in the Business*
- *Giving yourself a too low Salary*
- *Too little Savings*

After this short theoretical part the students had to discuss in small groups of 3 – 4 how to avoid or handle these mistakes. At the end of the class all groups had to present their outcome and the other students gave their feedback or opinion on that.

An **eye opener** for the students was that although all these mistakes seemed obvious, it was still good to reflect on them and share ideas and solutions.



*Student giving a presentation on the outcome of the group case*

### **Selling Price**

One other important topic was how to set the selling price in order to get good margin and profit. Setting your price is finding the balance between customer acceptance and your own acceptance (your acceptance is depending on your cost of product(s) and your sales). It must be enough to pay all fixed, and variable cost, (including your cost of living) and bring some profit as well to invest or save.

Also we discussed (1) how to influence your customers to BUY more and (2) how to influence your customers to PAY more for the products. This is achieved by increasing the quality of your product but the **eye opener** for most of the participants is to focus on:

- Influencing the perception of the quality of your product
- Type of packaging, like secured packaging, labels
- Quality certificates, for example TBS, training certificates
- Services, such as free Wi-Fi, fan, TV
- Quality of location
- Other

After this they discussed in small groups how to influence the perception of the quality of their product. The benefit of the groups with the same kind of business is obvious. They inspire each other and stimulate in thinking “out of the box”.

### **Fixed and variable costs**

After introducing the definition of fixed and variable cost the participants had to identify those cost in their own records which were made since the basic record keeping class.

Fixed costs are related to time, for example rent, license, salary, electricity, taxes etc. Variable costs are related to sales, for example cost of stock, transport , travelling etc.

In this way they already start developing insights in their own business and were we able to check if they understand the definitions.

After this we introduced the following definitions :

- Sales – variable cost (= cost of making or cost of buying) = margin

- Sales – variable cost – fixed cost = profit

And they had to identify in their own record the margin and profit according to their records. After this they discussed in small groups how to reduce the cost of making in order to increase the margin of their own business.

**Eye opener:** Your own salary which you need to pay yourself should be deducted from the sales (fixed cost) in order to identify the profit.

### *Knowing margin to select products*

The new method of working with cases worked also very well for this class. Even the chicken and fish groups liked the class which explained that as an entrepreneur you should evaluate your products/ services on a regular basis in order to select your best products and the worst products in terms of contribution to your “profit”.

The **eye opener** for this class was that not the volume of sales but the total margin of a product or product range determines your best product/services.

### *Financial planning*

This class is based on the case of starting a fish pond and was very much appreciated by the fishery group and the chicken group, for the other groups it was a voluntary class. The fishery district officer even requested if we could give this class to all fish farmers in Arusha, since they have never had such a lesson before.

The **eye opener** of this class was that the pay back of investment and the cost of food for fish takes at least 18-24 months and that during the first 7-9 months this type of business requires capital every month.

### *Wallets*

This class deals about understanding how important it is to have serious care of the business money. How to take care of your money **IN?** A wallet is a place where you put money to be safe so you can use it when you need it. We identified two types of wallets which are:

#### Business Wallets

- Variable cost (only to be used for buying new stock)
- Fixed cost

#### Personal wallets

- Cost of living
- Dream wallet
- 

Based on again a case we identified different types of costs and how to make sure that you make reservations for things who are maybe more important but less urgent to be paid.

Examples are:

- rent versus buying new phone
- replacing sold stock versus school fees
- food for family versus taxes



Also we discussed how to develop discipline to avoid spending money with should be used for other things

**Eye opener:** all people have the same problems...

## 5. Empowerment classes

**May and June**

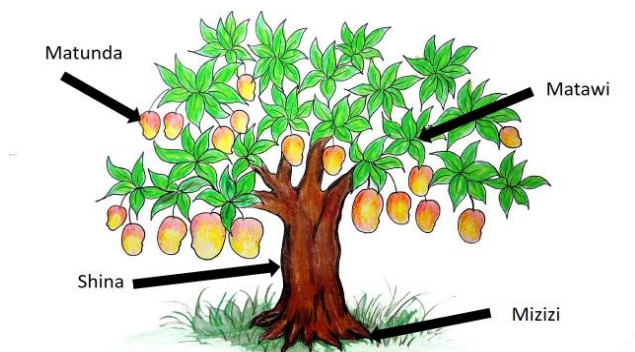
**Number of students: 52**

The following empowerment classes were included in this block:

- Tree of life
- Behavior change
- Problem solving

### *Tree of life*

This corner of training was based on the discussion of life reflection, where you come from and where you are going, which way you must use in order to reach your destiny. By using tree reflection we managed to transform our students to know that it is important to be stable in their life and business related issues.



### *Behavior change*

One other 'empowerment' topic for our students was to analyse their negative behavior and changing personal negative behavior into positive behavior,

through five questions student discussed in groups

- What is the current behaviour you don't like?
- Why is it important for you to change this specific behaviour?
- How would you like to act or be?
- What do you need to change?
- What is your next step to move forward?

The major point based on this topic was to transform our students to think and understand that sometimes it is necessary to change personal behaviour to reach a goal as an entrepreneur.

## **Problem solving**

We believe that it is also important that our entrepreneurs know how to deal with the business problems/challenges and to know and have skills on how to solve it. In order to pass this important skill to our students we explained the following elements:

Problem solving is the ability to identify and solve larger problems. You can turn a problem into a challenge and solve it. It's about taking personal action to solve problems. There are 4 stages to problem solving:

1. Understand the problem/challenge.
  - Do you have enough information? If not, try to get extra information.
  - Is it your problem, and can you solve it?
2. Brainstorm on possibilities.
  - You can brainstorm individually or better with someone else, Identify a number of possible solutions for the problem or opportunities for the challenge and write them down.
3. Solve the problem or the challenge, focus on the solution.
  - Consider the advantages and disadvantages of each solution. Think about these questions: » What would happen if...? Would it be safe? Would it be fair? How would everyone feel?
  - Choose the best and most practical solution.
4. Make an action plan to execute.
  - Identify steps and timing to execute the solution.
  - When it is possible, test out the solution.

## **6. TRA class**

### **2 half days in May**

#### **Number of students: 45**

At the intake classes we noticed already that a lot of challenges/ questions were TRA related. Therefor YEP and TCCIA decided to invite the regional trade officer, mr. Nusu, to give a class on TRA issues.

The following topics were discussed:

- Entrepreneurship ID
- Requirements for paying tax

This session was very useful for all of the students. Above that, the trade officer was happy that YEP incorporated this topic in their lessons, because in this way the TRA can reach and educate a large number of entrepreneurs. We will continue the good cooperation with TRA.



*Mr Nusu during the TRA class*

## 7. Update Themu Living Garden

In Q2 there have been several brainstorm meetings between YEP, TCCIA, TRIAS and the group of painters, concerning the improvement of Themu Living garden. Also at the end of June a meeting was held with Oikos and the Municipality. The goal of that meeting was to share ideas and find out goals and objectives from all participants.

Mister Mbuya, the city environment officer, was positive about the plans which are in line with city tourism, feeding the planet and preservation of nature within the city. The municipality sees it as a project where students, tourists and inhabitants of Arusha can relax, eat and buy things.

Agreed was that YEP takes the lead in drafting a plan which can be shared at the municipality by Mister Mbuya. Supported by David, Annemieke and Beatrice.

### Elements mentioned for the plan

- Workshops
- Walking lanes, rest places
- Monthly events, drinks, food, music
- Electrical supply, education and for uses, solar and water turbine
- Greenhouse to increase production and educate people on greenhouse farming
- Fish pond to produce and sell, using water of the river
- Next level, expand area upstream or downstream with bike tracks and more
- The need to empower the woman group

Next step is that Beatrice and Annemieke develop a proposal for the Municipality and discuss further with them. Timeline for finishing the proposal is end of July.

## 8. Coaching and monitoring

In Q2 we did coaching visits to the following students:

### Juster Revelian (fish pond)

She didn't sell the small fish as we advised her end of last year (and use the proceeds of that for buying new fish and start in a more professional manner), because the sales would not be sufficient to buy new fish. We discussed the Practical Assignment we will do with the new group, she is very interested in joining. We will add her too.

### **Simon Pascal Magere (paintings)**

His business is going well, he wants support on special design class after he bought laptop. He will find info on teacher himself and contact YEP once that is done.

He hired an assistant in his workshop to help him prepare the frames for the paintings.



### **Faraja Deo (graphic design)**

His business is doing well with new printer, he attracted some new customers. Though it is low season now (May) so realistic sales will be shown in June / July. He wants to rent his own shop end of the year. Investigate together with Magere

### **Prisca Mwakalasi (cakes & bites)**

The business is going well. In the last 3 months the cake and bites business has been better than the catering business. She sold 5 cakes in January, 10 in February, 20 in March 20, and 10 in first half of April. She puts more effort on the cakes because she has all the equipment for that. Most cakes are for birthdays. She also gets income from students. Approx 100,000 Tsh per month. She even gives online classes.

Her goal is still to have her own restaurant. She is aiming for next year (2020). Catering from the restaurant, and selling cakes and bites.

She is planning on making a cooking book for bites. Still investigating cost of making for that book. For healthy baking. She already obtained an ISDN number.



### **Hamida Athuman (sunflower oil)**

Business is going well. In Singida she buys seeds and rents a machine to produce the oil. Her average sales is 50 cans of 20 liter per month. Monthly margin is 1,100,000 Tsh.

We connected a student from class 3 (Anna Mollel) to her so that they can jointly buy the seeds.

### **Mohammed Ramadhani (home needs)**

He has been gone for some weeks due to family matters. He didn't do the analyses on his stock and he stopped his bookkeeping. We advised him to start doing bookkeeping again, the way he used to (write down every single product) because that seems to work best for him. Also we advised him to do the analyses on this stock, because his shop is too full of products. Better focus on few best-selling products. He still wants to become a wholesaler for home needs shops.

### **Eva Gasper Nkya (tailoring)**

Her business is doing very well. She has 3 books for record keeping and here sales are very good. Also her issue with the TRA is solved; TCCIA helped her with writing a letter. But she still has a debt of 100,000 Tsh, we advise her to be serious with this and pay that outstanding amount, in order to avoid trouble. Her plan to open a branch in Bugini is cancelled because she didn't find a good assistant for there and she needs her assistant in her main shop. Now her plan is to buy a plot and build a house in Moshono and open a second branch there. Seems a good idea because that is a new developing area with no tailors yet.



### **Emanuel Nery (coffee tour company)**

Business is going slow due to low tourism season. We will help connect them to volunteer organizations because we think that volunteers will be their main customers. YEP to make a list of NGO's. End of June they hosted a big group of 27 volunteers during 2 weeks and organized activities for them.



*Andrew conducting the coaching interview*

## 9. Going forward

After a short holiday break the YEP program will continue with marketing & promotion classes, contracts & negotiations and remaining empowerment classes. We will also proceed with the coaching and monitoring visit.

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