

# Module 6

## MARKETING

### *What you will learn in this module*

- What marketing is and its importance in running a business
- The elements of marketing
- Evaluating how well the product or service meets the needs of customers
- Best techniques for pricing a product or service
- Identifying the best way to distribute the product
- How to create new ways to promote business
- Ways of expanding a business
- Methods of solving specific marketing problems
- Understanding the different channels of marketing

### SESSION PLAN

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<b>Session 1</b>	What is marketing?	1 hour 30 min
<b>Session 2</b>	Elements of marketing	3 hours
<b>Session 3</b>	Marketing visit	3 hours
<b>Session 4</b>	Marketing channels	1 hour 30 min

## **SESSION 1: *What is marketing?***

- Marketing is the most critical aspect determining business success.
- Start by asking participants what they understand by marketing. Write key words in their replies on the board or on a flip chart. End by telling them the definition in the handout.
- Divide the participants into groups of four or five people each. Ask each group to discuss the strengths and weaknesses of the marketing strategies in the three case studies in the handout, assigning one study to each group.
- Hold a plenary of the groups to discuss and consolidate the lessons.
- After the discussion on the case studies in the larger group of participants, ensure that the following points emerge:

*What do you understand by marketing?*

*Some responses*

### *The current situation*

- The women's groups make a traditional product for which there is a good market.
- The groups also have links with traders with a demand for traditional woven products.
- In the case studies on 'preparing for competition' and 'no contact with market', the market comes to the group, therefore women can sell from the village.
- In the case study on 'taking charge of marketing', women have to travel to the market to sell their products.
- In the case studies on 'preparing for competition' and 'no contact with market', the women have no direct link with the market and no idea of the sales price of their products.
- As their costs increase, they have no understanding of how much of the increase in costs can be borne by the market.

- They cannot vary product design or develop new ideas for different products (except when traders or the foundation demand changes) as they have no direct link to the market.

Adopting to a changing context

The women's groups may lose their businesses when they are exposed to greater competition brought in by the WTO (World Trade Organization) regime. They need to examine the technology they use and their productivity per person and by the amount of Baht invested. In the face of increased competition, high productivity, high quality and good marketing linkages will become essential for the survival of group businesses.

Handout 1: *concept of marketing*

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Marketing is the most important element of a business. Unless a customer buys the product of the business, there is no business. The market for the product refers to the existence of customers who are willing to pay for it.

Every business depends on the market for its survival. Whether small or large, managed by women or men, run by an individual or a group, a business needs customers. Marketing, therefore, is a critical element of any business.

Marketing is becoming even more important with globalization opening up domestic markets to international competition. This means that, often, small producers have to face severe competition from a growing internal and international market.

Because marketing is a critical element of business and as marketing is getting more and more difficult, it is even more crucial that women in business learn about marketing. They need to know:

- what is marketing;
- how to identify markets for their products;
- how to evolve strategies for better marketing.

Marketing means understanding the needs and wants of consumers and providing goods and services to meet these profitably. A business activity results in the flow of goods and services from producer to customer or user.

Entrepreneurs must keep their eyes and mind open, and be alert to their customers' needs. Marketing is a dynamic and continuous process. It is needed not only at the time of starting up the business but also during its diversification. Marketing is not a one-time job. The entrepreneur or business person must be aware of the market's changing needs and respond accordingly.

Handout 2: case study on preparing for competition

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The Kho Yor weaving group in Kho Yor Island produces traditional woven cloth using cotton, but sometimes a synthetic blend or silk cloth. The design is unique to Kho Yor, though few outsiders can distinguish the special features of the design. This is why the group feels it is important to continue to produce and keep alive the traditional designs of the area.

The group has developed thirty five traditional designs, which they maintain in a catalogue and produce on a regular basis. They used to buy dyed yarn, but when they found that the colours are not fast, they began to buy unbleached yarn and dye it themselves.

The group has received support from the government, the community development department as well as CPD. They were given 700 000 Baht which they used to purchase equipment and invest in a work shed.

Presently, the group markets its products through supermarkets, sending these by post to different supermarkets. The Thai Government ordered 100 to 200 pieces for Cabinet Ministers in the past few years. Being a traditional product, it is supported by the politicians. The market is mostly domestic and very little of the product is exported.

The group has a list of designs and prices to help customers in placing orders. They are also developing new designs and new products such as curtains and table cloth. They produce about 1 200 *Lah* (feet) of cloth per month, making a profit of about 40 Baht per month.

Group leader, Wichai Marasena is proud of the fact that the group is helping preserve a tradition, but does not know that they will face tough competition under the WTO rules. The group needs to move from a 'craft-based' and supply-oriented thinking to 'enterprise thinking' or demand-oriented business planning.

Handout 3: case study on contact with market

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The women's group in Miang Pia in Ban Phai district makes traditional woven cloth. The members are mostly older women. Many of their designs have attracted the attention of the Queen Sirikit Foundation, which visits the group regularly and orders textiles from them for their exhibitions.

The group has got into the habit of receiving orders and producing only for this select market though other traders come to them as well. In other words, the market comes to the group. The members rarely go out to sell their products.

The women calculate the price on the basis of the material used, time taken and some notion of the intricacy of the design. They do not know at what price their product is sold by traders or the Foundation.

The cost of silk as well as tie and dye has increased over a period of time. This has forced the group to increase the prices of its products. So far, the increases have been accepted by the buyers of the group.

*Exercise*

*Discuss the benefits and dangers of such a marketing strategy.*

Handout 4: case study on taking charge of marketing

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A women's group with 30 members makes and sells different kinds of handicrafts such as artificial flowers. The members have organized themselves in order to systematize their production and marketing.

The group is divided into smaller sub-groups of four to five people who are responsible for making particular kinds of handicrafts. Each group is paid on the basis of its daily production. The average production expected daily is decided on the type of handicraft they make. For instance, one of the groups produces 40 pieces of a particular type of handicraft each day.

The payment per piece is calculated to ensure a payment of about 100 to 110 Baht per day to each member.

The group has assigned five people for marketing the goods. These people were selected under the following criteria:

- ability to market;
- technical know-how to explain about the product to the customers;
- ability to conduct small repairs to damaged handicrafts;
- ability to package products quickly before selling them to the consumer.

The five marketers are paid 100 Baht per day, the same as other members who are involved in the production of flowers. They are paid an *out-of pocket allowance* to cover their expenses while they are in the market. This motivates them to go out and market the products.

The group has assigned another member who is an accounts professional, as a full time accountant and pay her 3 000 Baht per month.

*Exercise*

*Discuss the case study and analyse the reasons for the success of the group's business.*

## **SESSION 2: *Elements of marketing***

- Read the information handout carefully before the session.
- Use the diagram in the Elements of Marketing handout to explain the 6Ps involved in the activity.
- Generate discussion on each P and ensure that the points raised in the handout are brought up in the discussion.
- It is better to use an overhead sheet so you do not have to remember the points.
- After the discussion, divide participants into groups of three persons each. Ensure that you have sufficient sets of games before starting the programme. The material needed for the game is provided with the kit.
- Explain how the marketing game is played and give two hours to the groups to complete it. This helps in understanding the 6 Ps in a more efficient way.
- An alternate method is to send groups on marketing visits. Divide the participants into pairs. Let each pair select a product that they will analyse. Let them go out to the market for two hours, see the product in the market place, talk with shopkeepers and analyse the marketing of that product using the 6 Ps.
- Have a plenary session where pairs share some of their experiences using the 6 Ps chart.



Handout 1: *elements of marketing*

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**Marketing issues:**

*Production*

- Is there a demand?
- Are similar products being sold by competitors?
- What do customers like or dislike about the product?
- Where and how will you source quality raw material at good prices?
- You will have to find and decide how many products can be made within a specified time.
- How can you improve the quality?
- What is the possibility of introducing more varieties?
- How can you make the packaging more attractive?
- Can you design better labels?

*Price*

Find out about

- prices of competitors' products
- quantity discounts
- special offers for quick sales to attract customers
- credit for reliable customers

*Place/distribution*

- Who should sell your product (self, retailer or middlemen)?
- How do you get the product to the market or customers (type of transportation, cost of transportation)?
- Where will you sell (own shop, house to house, markets, shops) the product?
- What are the methods and cost of storage?
- Can you provide home delivery service (newspaper, milk etc)?
- What about longer opening hours?

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- Do you have good shop interiors?
- Can you offer faster service?

*Promotion*

- Ways to advertise (e.g. signs, posters, loudspeakers, competitions, editorial, mentions)
- Ways to introduce a new product (e.g. free samples)
- Cleanliness, attractiveness of shop/sales outlet
- Persuasive manners of sales persons
- Demonstrations (how to use the product)
- Creating messages about your product.

*People and participation*

- Are all group members active in the business?
- Distribution of tasks among members according to skills
- Team-building exercises
- Task-oriented capacity-building for group members.

Handout 2: *marketing game* (Kindervatter and Range, 1992)

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*Purpose*

'Marketing Mix' is a game that helps participants to understand the 6 Ps of marketing. An enjoyable learning exercise, it needs two to four players.

*Material*

- Chart
- Dice
- Cards for the 6Ps of marketing
- Counters (different colours/shapes)

Prepare enough sets depending upon the number of participants.

*How to play*

- Spread the chart on a table or the floor.
- Separate the cards according to the 6Ps and stack them face up.
- Each player picks and puts a counter at the starting point on the chart.
- The first player rolls the dice and moves her counter according to the number on the dice. If the counter is placed on **Price**, a group member takes a card from the **Price** stack and puts a question to the player who threw the dice.
- The first player's answer is discussed till all players accept it.
- Another player then rolls the dice. Used cards are stacked face down.
- The play continues for one to one-and-a-half hours, depending upon the interest of the participants or till all the cards are used.

*Tips*

- Each player throws the dice only once regardless of whether the group agrees or disagrees with the answers given by the player.
- It is important to remember that there are no fixed answers for all questions related to the elements of marketing because these can change according to the situation, place or type and scale of business.

### **SESSION 3: *Marketing visit***

- The purpose of a marketing visit is to gain exposure, understanding and practice in the working of marketing strategies on the basis of a first hand market survey and analysis.
- It is important to plan the marketing visit well in order to derive the maximum benefits from the exercise.
- Before the visit, there must be a session on marketing issues where marketing concepts are explained.
- The marketing visit must be scheduled at an appropriate time in the training schedule, preferably soon after the session on marketing.
- It is important to assign participants a task on what they need to observe during the visit (e.g. observing the 6 Ps of marketing with respect to a product and making a marketing strategy).
- The place of the marketing visit must be selected according to what participants need to see. They must be able to see products of the type they make and other competing products. They should at least have some conversation with sellers as well as customers.
- Hold a session after the marketing field visit where participants have to present their impressions and lessons learnt from the field visit.

**SESSION 4: *Marketing channels***

- In most cases, traders purchase products made by women's groups and sell these in local or urban markets.
- Often, women's groups tend to depend on these traders and fail to establish a direct link with the market.
- Supporters of women's groups tend to view the traders as middlemen and exploiters. It is important that women understand the choices of marketing channels available to them. They must understand the costs and benefits of all marketing channels.
- Begin the session by asking participants about the market channels they use for taking their products to the final customers. Note the answers in the diagram included in the information handout.
- Divide participants into groups and assign them the case studies: ask them to analyse the different marketing channels that have been used by the group to sell its products.

Handout 1: *marketing chart*

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Products made by a rural women's cooperative business may pass through a number of hands as shown in the following chart. Each stage has its own costs and value addition. If a women's group sells only in the local market, its



profit margin is higher, but they can sell only small volumes. If the group's product reaches city as well as national and international markets through the support of middlemen, then their percentage of margin is less, but they can sell larger volumes.

*Handout 2: important factors in understanding marketing channels*

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Marketing a product means using various channels to bring it to the consumer. It is important therefore that the entrepreneur understands this concept clearly.

- Each chain in the marketing channel has a role, tasks and attached costs.
- Each link provides a service to the supplier and the buyer.
- The returns at each level are the benefits of performing the task.
- The channel closest to the final consumer usually keeps the largest share of the price spread/margin.
- The functions that different middlemen perform include:
  - Providing capital
  - Ordering the products
  - Adding value by processing or packaging
  - Providing transport and storage facilities
  - Providing billing and VAT charging services
  - Using their time to make marketing linkages and orders
  - Providing market information
  - Keeping in touch with consumer profiles and preferences and informing the producers.

Handout 3: *marketing channels*

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Women's groups can market their products at the local, country (national) or international level using different channels. Four ideas on potential channels are described below:

Type of strategy	Advantage	Disadvantage
Market it yourself	<ul style="list-style-type: none"><li>• No need to pay for an agent's services.</li><li>• Control of sales and distribution.</li></ul>	<ul style="list-style-type: none"><li>• Groups may not have experience with and access to a broad market.</li><li>• Many women's groups do not have skilled persons, especially to handle international marketing.</li></ul>
Intermediaries (middlemen, sales agents)	<ul style="list-style-type: none"><li>• Can offer their acquired experience and contacts to the producers.</li><li>• Remove responsibility from the group.</li></ul>	<ul style="list-style-type: none"><li>• They can charge high commissions which automatically reduce group's profit.</li><li>• The group has less control of marketing and sales.</li><li>• Activities and commissions of intermediaries must be monitored carefully.</li></ul>
Marketing cooperatives	<ul style="list-style-type: none"><li>• Share costs, responsibilities and skills among a number of groups.</li><li>• If they are women-owned and operated, they retain experience and responsibility in the women's hands.</li></ul>	<ul style="list-style-type: none"><li>• May not have developed as broad a range of channels as commercial enterprises.</li></ul>
Alternative marketing organizations	<ul style="list-style-type: none"><li>• Often have strong social/educational goals.</li><li>• May provide wide range of assistance.</li><li>• Provide entry to export market.</li></ul>	<ul style="list-style-type: none"><li>• May not have developed as broad a range of channels as commercial enterprises.</li><li>• Often restrict product line to handicrafts.</li><li>• Often located in industrialized countries.</li></ul>



***What you have learnt in this module***

- A business exists only if some one is willing to pay for a product i.e. buys it.
- A product can be sold only if it has a customer. It is necessary to identify the customers before making the products.
- Therefore, marketing is a critical factor in the success of a business.
- Marketing strategies can be prepared through an understanding of the 6 P's:
  - Product
  - Place
  - Promotion
  - Price
  - People
  - Participation
- Marketing is dynamic so there is a need to analyse, evaluate and plan regularly.
- Each rural women's cooperative group needs people with marketing skills in order to develop good market linkages.

# Module 7

## SAVINGS, RISK MANAGEMENT AND USE OF PROFITS

### *What you will learn in this module*

- Understand the role and importance of savings
- Understand different business risks
- Discuss how some risks may be covered by the group
- Discuss alternate use of profits of women's groups

### **SESSION PLAN**

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<b>Session 1</b>	Concept of savings	1 hour
<b>Session 2</b>	Concept of risk management	1 hour
<b>Session 3</b>	Use of profits	1 hour

The three sessions may be combined into two sessions in a short duration training programme. When there is time, groups can be given the case studies to analyse, and they can discuss the implications of the decisions they take on capital formation and risk coverage.

## **SESSION 1: *Concept of savings***

Start the session by asking the members if they save regularly.

- Do they keep their saving at home or with the group?
- Do they save with the cooperative?
- If each cooperative member saves, how does the group business benefit from this?
- How do the members use this joint saving?
- Use the handouts to highlight the importance of savings both as a source of capital and as insurance against risks.

Handout 1: concept of savings

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Women's grassroots groups are members of primary cooperatives, which, in turn, are part of federations of cooperatives at the provincial and national levels.

When group members deposit their savings with the group, the amount is usually rotated as credit. The Local Administrative Council promotes the scheme and recommends an interest rate of 2 percent per month on the loans. The accounts of the savings and credit operations are supervised by the Council which helps in calculating dividends at the end of the year.

When women deposit their savings with the cooperative, they participate in the business of the cooperative. If they save in the groups as well, they help the business of the group.

The advantages of starting savings schemes in all the groups:

- women have greater involvement in group activities if they save in the group;
- a habit of savings instills discipline among members;
- members can avail of credit from the group's savings to buy raw material and other requirements;
- the group can build up capital to procure machines, better technology and improve the quality or/and quantity of its production;
- the savings of members is a risk cover in case the business faces problems; for instance, if working capital cannot be obtained from other sources, the group can use this fund for some time;
- builds a culture of self-reliance; the group acquires a greater degree of control as its capital base increases, enabling it to take better financial decisions;
- finally, when the group's capital base increases, it gains recognition from other institutions; if the group builds up a good capital base through its savings kept in a group account in a banking institution, it will have enough credibility to be able to obtain loans for its business from the institution.

**SESSION 2: *Concept of risk management***

- Government initiatives have led to the formation of many rural women's cooperative groups.
- However, many initiatives have not proven to be profitable for farmer groups.
- Do women's groups assess the risks and benefits of the proposed activities by themselves?
- Are there any insurance schemes for risk management by women farmer cooperative groups?

Handout 1: risk management by women's groups

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Rural women's cooperative groups are quick to follow the advice of government officers on business. However, this can result in losses as the government has not always adapted its programmes to local farmers' conditions.

It is important that the groups make informed business decisions that are based on knowledge and experience.

Factors that help in this:

- increased awareness of business-related factors, especially marketing;
- good linkages with external agencies so that information and understanding can be checked and updated regularly;
- participatory group processes using the common wisdom of members; informed and joint decision-making by members; therefore, it is important to reduce the risk of business failure.

## Handout 2: *business risks*

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Risk is defined as any factor that may cause losses to the group's business. The risk may be external, i.e. arising from outside the group. Group members may have little control on such risks, e.g. change in market preferences. There are several risks that are internal, i.e. risks related to business management. The group can reduce these risks through management systems and planning.

Groups need to think of all the things that can go wrong and plan how to reduce the damage to the business if these things indeed do go wrong.

### **Principal risks**

#### ***Financial***

- Not enough money to buy tools and equipment
- Lack of money to purchase raw material in the needed quantity

#### ***Production/technological***

- One or more machines may break down
- Product may get damaged
- Raw material may spoil

#### ***Market***

- Customer preferences may change
- Legal ban on some items (e.g. use of certain chemicals in food)
- Increasing competition may lower prices
- Increased competition from imported goods

#### ***Management***

- Illness or death of leader
- Accountant may quit

Discuss the probability of each of these risks arising in the groups represented by the participants. How do group members cover these risks? Ask members to relate some stories about the impact of risks on their groups.

**SESSION 3: *Use of profits***

- Start by asking the participants if every business can succeed. Make the point that if this were true, every person would be an entrepreneur.
- The fact is that while business yields profits, it also involves risks.
- Ask participants to tell about some unsuccessful businesses. Write the key words on the board while the participants are sharing these accounts. Ensure that all the points in the handout have been covered. Emphasize that good business planning and linkages can be an insurance against risks.
- Emphasize also that risk is reduced when groups take joint decisions. This is a better strategy than blindly following external advice.



Handout 1: *use of profits*

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Members of a rural women's cooperative enterprise should know how the profits are generated. They should know the details of the calculation as they have each contributed to the profits.

It is also important that the women know and participate in deciding how to use the profits.

*Major sources of finance*

<i>Own money</i>	<i>External money</i>
Share capital contribution by members	Grants from government departments (CPD, CDD, Department of Extension, etc.)
Savings of members	
Profits from business	Loans from cooperatives through government schemes

*Profits can be used for:*

- Paying a dividend to group members
- Investing in the future growth of business by:
  - a) increasing working capital
  - b) improving fixed capital, i.e. more and improved machines or building
  - c) investment in improved skills
  - d) investment in marketing
- Donations to the local community

It is important that the women take into account the investment needs of their own business before donating money for community welfare. Improved business performance is necessary for generating more profits which, in turn, will enable them to provide sustained support for community welfare. If money is spent on community welfare without allocation for the group's business growth, there will be no benefit for the community over a period of time.

Many rural women's groups contribute their profits to the community without planning for their own business needs. This is not done in cooperatives, which see themselves as business enterprises and take care of their business needs first. Many women's groups, on the other hand, have been supported by the government and have leaders who emphasize social responsibility more than the growth of the group's business.

This can lead to continued dependence on the government.

Unless rural women's groups are run as good businesses, they will not be able to get recognition from the cooperatives and the banking sector and raise credit for their business demands.

The advantages and disadvantages of not using profits for business expansion (in this case, using it for the community):

	Advantages	Disadvantages
Using profits for community welfare without putting aside money for business development and growth	<ul style="list-style-type: none"><li>• Satisfaction from contributing to community needs</li><li>• Needs of local community get recognition and support</li><li>• Social recognition and prestige for the women's group</li></ul>	<ul style="list-style-type: none"><li>• Continued dependence on the government</li><li>• Non-recognition of their unit as a genuine business enterprise</li><li>• Inability to provide for the growth of own business</li><li>• Not able to get credit from mainstream institutions, even from their own parent cooperatives</li></ul>

Therefore, it is important that groups give priority to improving their businesses. The rest will follow once their businesses become independent of subsidies and government support.

*Handout 2: case study on capital formation and risk management*

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The Bong Ho women's cooperative group with 85 members has three businesses: common purchase of raw material, selling this to the members and the purchase of the final products from the members to sell in the market.

The group was formed 10 years ago with members raising 20 000 Baht from a dance performance in the village. The group has rotated this money as loans among members at a yearly interest rate of 5 percent and the initial fund has now grown to about 100 000 Baht.

The group does not have an accountant. A CPD officer visits them once a year to audit the accounts. Till then, the members do not know how much the group has earned as profit that year.

In fact, they have not even maintained proper accounts for earlier years. In 2001, they obtained government financial support, using it to buy machines to improve production quality. The government helped them in selling their produce and the group made a profit of 60 000 Baht. This was used to start 20 scholarships in local schools and make donations for the welfare of elderly people and persons with disabilities. All these decisions were taken unanimously by the members.

Six months after distribution of the profits, the leader found that the group needed working capital to buy raw material. There is a great demand for their products three months of the year and the group can increase its earnings if it can increase production at the right time.

The group believes that it can obtain working capital from the CPD or any other government department.

*Exercise*

*Analyse the financial management of the group and discuss whether it has taken good decisions with regard to capital formation.*

### ***What you have learnt in this module***

#### **➤ Savings and capital formation**

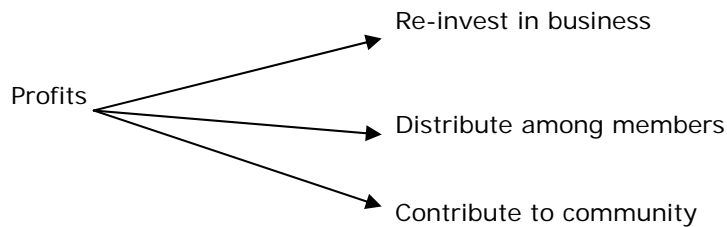
- Saving makes the group more active and members meet regularly.
- Savings are the most important source of funds for a group business.
- Regular savings lead to investment in group business, inculcating an attitude of self-reliance.
- Cooperatives encourage individual members to save with them.
- When group members save and rotate money as credit, they are able to increase the capital available for women. Such savings schemes are often started and monitored by local administrative offices. Few women's groups are able to manage a good savings and credit scheme on their own.
- Women's groups are not recognized as members of cooperatives and, therefore, are not eligible to take loans from cooperatives. This discourages the groups to save with the cooperatives, which, in turn, have no business interest in the groups.
- It is important to emphasize the value of group savings as a source of capital and also as insurance against business risks. Savings also enable a group to be recognized by external and mainstream agencies, making it more creditworthy.

#### **➤ Risk management**

- It is necessary to estimate the principal risks in a business. These relate to finance, production, marketing and management. Estimation helps the group to handle these risks when they arise.
- How risks can be contained.
- How to develop a strategy of low risk and high benefit.
- Open and joint decision-making is one way in which the group can reduce risks. Awareness and participation of all members in decision-making on the use of resources is the best way to move towards a viable and sustainable business.

➤ **Distribution of profits**

- Profits = Revenues – (less) All expenses
- Profits are a source of finance. How can these be used?



- Plan properly to utilize the surplus from either business profits or savings. Groups must reinvest their profits for at least three to four years as this helps to expand or diversify their business activity.
- Viable and sustainable group businesses enhance the groups' long-term ability to contribute to social causes. Profits must primarily be used for the growth and sustainability of the business and money may be contributed to social causes after meeting business needs.

# Module 8

## BUSINESS PLANNING

### *What you will learn in this module*

- How planning reduces risks in business management.
- Demonstrating to women how they can plan their businesses.

### SESSION PLAN

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<b>Session 1</b>	What is a business plan, why a business plan and structure of a business plan	3 - 4 hours
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**SESSION 1: *What is a business plan, why a business plan and structure of a business plan***

- A business plan is the blueprint for implementing a business idea and the roadmap for a successful business by helping to minimize business risk.
- Ask the participants how they plan before spending 500 Baht on buying clothes. As they answer, note the key words on the board or flip chart such as design, quality, colour and price. This is planning. Make the point that even an individual purchase is a result of careful consideration and link this idea with the importance of planning in the business context as given in the handout.
- Explain the structure of business, highlighting each section in detail and linking this with what was covered previously in the training.
- Divide the participants into groups and provide them with Business Plan formats; ask them to prepare a plan for one of the businesses of which they know the financial and technical aspects.
- Hold a plenary session of the groups to find what difficulties the participants faced in preparing the business plans; explain and simplify.
- Encourage participants to critique each business plan, assessing it according to the MAIR model and checking the assumptions made for the projections.

Handout 1: *what is a business plan and why it is important*

A business plan is a data-base of information related to the details of a business activity such as production processes, raw material, finance, support services and market.

It is important to prepare a business plan for activities at all levels. For example, if a hotel has to organize a party for 50 people, it would need to plan the menu, the material needed to make the various items, the labour required, etc., at least two to three days in advance. All the information collected about these different areas would be part of the business plan for the party.

A business plan is like a road map which makes it possible to know if the business is on the right track and monitor achievements against objectives. It helps in identifying future financing needs and is a valuable document when seeking credit and other support from bankers, government and other agencies. The business plan also helps to evaluate the strengths and weaknesses of the proposed business as well as the opportunities and threats it faces. This can be translated into a detailed strategy and action plan for every member of the group.

It is very important for a rural women's cooperative business to succeed. The cost of failure is very high because it undermines motivation and discourages the women from starting another other business.



Handout 2: the structure of a business plan

A business plan has the following elements:

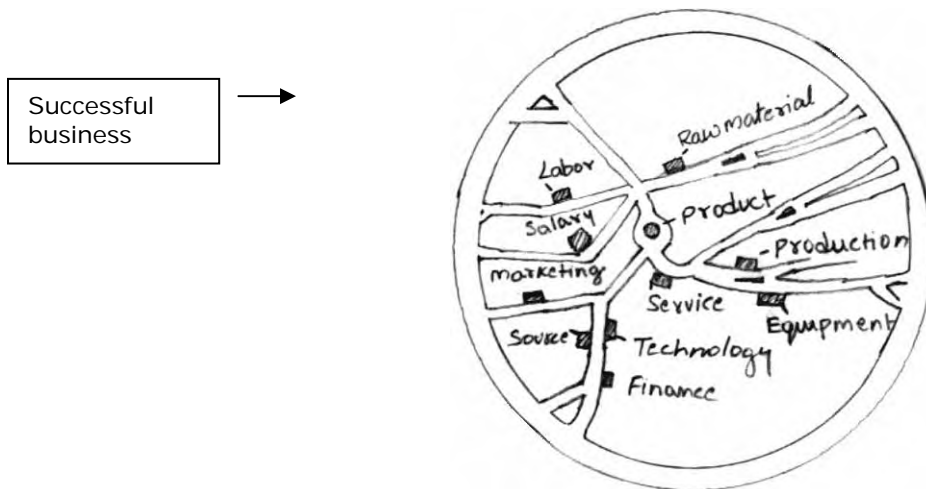
**Basic information:** About the women's cooperative group such as name and address of the group. It also includes the vision and mission statement of the group.

**Product/service:** What is the type of business – manufacturing, service or trading? What are the products and services that will be sold?

**Reasons for selecting the activity:** Explain briefly why this particular business has been selected. For example, a group has decided to make baskets because a member is a skilled basket maker, there is a regular market for this product and the required raw material is available locally.

**Raw material:** Details about the raw material used – sources, prices, nature of availability (seasonality, if any).

What resources/supplies are needed and from where are these to be obtained? How much do these cost?



**Production:** Detailed information about the product, process, production requirements and cycle. For example, three months are required for making some herbal sweets. What skills are needed for production and how can these be learnt?

**Personnel (division of responsibilities):** Information about responsibilities of committee members. Also spells out the tasks at hand and the nature of qualified personnel who must be hired for the same.

**Technology and equipment:** Information on types of equipment, sources, prices, etc. What equipment is needed and where is it available?

**Marketing:** Information on various market channels within and outside the area, list of bulk buyers, traders, marketing cooperatives, etc. Who are the customers who will purchase/buy the product or service?

**Financial aspects:** Total fixed and working capital needed for the business. How much is the total cost of the business? What are the financial sources that can be accessed?



3. *Reasons for selecting the activity*

- Why you have selected this product or service?
- Is it based on your skills and experience or market demand; is there any other special reason for selecting this product or service?

4. *Raw material*

Provide details in table below

<i>Type of material</i>	<i>Requirements</i>	
	<i>Quantity monthly/yearly</i>	<i>Total value monthly/yearly</i>

Where do you obtain the above and from whom?

5. *Production*

What is the manufacturing cycle for each product? The entire process from the initial to the final stage must be described here. Note that if the unit makes more than one product, each must be documented individually.

How much time is required to complete the production process and put the product/s into the market?

6. *Personnel (division of responsibilities)*

Do you need to employ people? If yes, what type of skills do you expect the employees to have?

How will you recruit these personnel?

How much do you expect to spend on their salaries?

*Details about the employees:*

<i>Name of the person</i>	<i>Responsibilities</i>	<i>Expected salary</i>

### 7. Technology and equipment

What equipment do you need? How much does it cost?

<i>Machinery/ equipment</i>	<i>Prices</i>	<i>Numbers required</i>	<i>Total value</i>

### 8. Marketing

#### *Product*

- Who will be your customers? Clearly define your market in terms of territory and customers.
- Why will they buy your products?
- What type of quality measures do you intend to follow?
- What type of packaging will you use?

#### *Place (manufacturing and retail outlets)*

- Where will you locate your manufacturing unit and why?
- Where will you locate your retail unit and why?
- What expenses do you expect to incur on rental/purchase of these outlets?

#### *Price*

- What are the retail and wholesale sales prices per unit?
- Will customers be willing to pay the price that you have fixed?  
What do the competitors charge for similar products?
- Have the members been consulted for end-price determination?
- What will be the minimum order size and credit terms offered?

*Promotion*

- How will you promote and distribute the product? What do you expect the promotional costs to be?
- Who are your competitors? Where are they located?
- What are their size and market potential? In which geographical regions are they successful currently?
- What are the strengths and weaknesses of your competitors?

9. *Financial aspects*

A. Investment needs

What will be your financial needs? (Monthly/Yearly)

*Fixed investment*

- Equipment/machinery
- Land and building

*Working capital*

- Raw material
- Product/manufacturing cost
- Administrative costs

*Total investment*

B. Source of funds

- Loan
- Group investment
- Accumulated group savings
- Grant
- Any other
- Total

C. Sales

What is your forecast of total sales?

*Details about sales*

<i>Product per month</i>	<i>Amount sold per unit</i>	<i>Selling price per month/year</i>	<i>Total sale</i>

*D. Financial statements*

*Profit and loss accounts as on (date)*

<i>Particulars (Costs)</i>	<i>Amount</i>	<i>Particulars (Earnings)</i>	<i>Amount</i>
Opening stock		Sales	
Purchases		Closing stock	
Power charges		Commission	
Salaries & wages		Other income	
Vehicle maintenance			
Telephone charges			
Postage			
Printing and stationery			
Local conveyance/ transport			
Office expenses			
Advertisement			
Staff welfare expenses			
Accounting charges			
Professional charges (legal or other fees)			
Subscription fees			
Insurance, licenses, other permits, loan repayments			
Depreciation			
<i>Total</i>	<i>A</i>		<i>B</i>
<i>Net Profit</i>		<i>= B - A</i>	

*Profitability*

Sales: (monthly/yearly)

Total costs (take from profit and loss accounts)

Gross profit = total sales – total costs

*Balance sheet*

What will be your balance sheet at the beginning of the business and the day of the final account-closing year (1-year)?

*Starting balance sheet*

<i>How the money is used</i>	<i>Where the money comes from (Assets) (liabilities)</i>
Cash	Loan/grant
Stocks	Own investment
Equipment	Others
Others	
Total	Total

*Final balance sheet*

<i>How the money is used</i>	<i>Where the money comes from (Assets) (liabilities)</i>
Cash	Loan/grant
Stocks	Own investment
Equipment	Others
Others	
Total	Total

*Cash flow*

<i>Particulars</i>	<i>Amount in Baht</i>											
<i>Cash inflow</i>	1	2	3	4	5	6	7	8	9	10	11	12
Opening balance												
Sales receipts												
Any other income												
Total (A)												
<i>Cash Outflow</i>												
<i>Purchases</i>												
Rent												
Electricity												
Postage & telephone												
Travel												
Repayment of loans												
Insurance												
Any other expenses												
Total (B)												
Net cash flow (A-B)												
Closing balance												



### ***What you have learnt in this module***

- Business planning is the most important tool enabling the group to make a business successful. It is an aid to ensure that no aspect is neglected and the business will make profits.
- The business plan must start with a statement of the cooperative's objectives and vision.
- Other elements of the plan include information related to basic, technical, market, financial and personnel sectors, as well as projections for the future.
- Make a Business Plan before starting a business and revise it at least once in six months, or at least once a year.

# Module 9

## LEADERSHIP AND TEAM WORK

### *What you will learn in this module*

- Understand different tasks that have to be done in the groups
- Address issues related to overburdening of a leader
- Emphasize sharing of responsibilities
- Recognize the dangers of too much dependence on one or two members in the group
- Understand the pros and cons of “volunteers” in groups

### SESSION PLAN

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<b>Session 1</b>	Concept of leadership and team work	2 - 4 hours
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## **SESSION 1: *Concept of leadership and team work***

- Introduce the session with stories about leadership in group activity. You can use the case studies of rural women's groups with overburdened leaders or your own experience. The participants may also want to share some stories.
- During the discussion, highlight the impact of the uneven distribution of responsibilities on the leader and on the group. Ask members about the division of responsibilities in their groups. Ask some leaders how they feel about this.
- Brief participants to prepare for a role-play, either using some of the scenarios discussed till now, or case studies from the set. Ask them to plan it themselves – don't give them a script to work with. In this way, situations will be more realistic and participants will have to think through the issues they have to face. Bringing humour into the presentation makes the point easier to understand and encourages participants to change their behaviour patterns.
- Set a deadline for planning/writing and rehearsing the role-play, giving participants at least 90 minutes to prepare. A late afternoon or evening presentation saves time and often provides the right atmosphere for a more open discussion on the subject.
- A short plenary session after the presentation helps the group to reiterate the lessons they have learned.
- Emphasize the following lessons:
  - It is important to realize the vision of a group as a future cooperative. Each group is a potential cooperative. In order to realize this vision, team work is important.
  - Groups must go through a process of institution-building. For this, good leadership and teamwork are important.
  - Groups must shed excessive dependence on their leaders. Members must be able to negotiate shared responsibilities in order to participate in decision-making.

- Too much dependence on “volunteers” places a greater burden on volunteer group members.
- Participation of members enhances the quality of the group's decision-making and improves the chances of its success in business.

Handout 1: *role of cooperation and team work*

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1. A rural women's cooperative group business has different tasks such as:
  - Coordination of production
  - Marketing
  - Quality control
  - Design
  - Public relations and networking
  - Finance
  - Book keeping
  - Cleaning and housekeeping
  - Other tasks
2. Most of these tasks are performed by members in most women's cooperatives.
3. Members perform these tasks based on a voluntary division of labour.
4. However, pressing household chores make it difficult to keep this division of labour permanent, leading to permanent coverage of only some tasks.
5. In groups where the tasks are not shared by members, one or two women take the burden.
6. If the group depends on one or two women leaders for most tasks, the group business becomes dependent on them.
7. A proper allocation of tasks among several members is important for transparency, accountability and sustainable management of the group business. For this, many members must be trained in essential group management tasks.
8. Each group must ensure that at least two members are trained in every essential task.

9. It is a good practice to rotate key group tasks among members; at least ten members must be trained in the various group tasks.
10. The right division of tasks and responsibilities ensures that more members know what is happening in the group and are able to share their opinions.
11. It is also good practice to have a rule for changing the group chairperson and secretary at least once in two years. This promotes better practice of cooperative principles within women's groups.
12. Information sharing is important. The spirit of cooperation can be promoted only by sharing information about the management of business and the business environment among group members. Information about institutional linkages facilitates effective networking across the group, rather than restricting it to a few members.

*Volunteers or paid workers?*

In most women's groups, members perform the tasks on a voluntary basis. In some cases, members doing group jobs are compensated on the basis of an average daily wage calculated by the group. However, in most cases, groups have such arrangements only for marketing and networking jobs and not for tasks like bookkeeping or cash management.

The advantage of voluntary work:

- Promotion of a cooperative spirit among members.

The disadvantages:

- Overburdening of those performing the tasks.
- Members do not accept group jobs, preferring to do their own production work. They do not consider it worthwhile to give time to group work over family or personal work.
- If fewer members come forward to share group jobs, a few members retain the burden as well as the control.

Handout 2: idea for role-play

---

The following exercise is based on assumption and imagination.

Prepare as many cards as there are jobs in the group and explain to the participants that each card carries a particular weight. For example, the tag of marketing carries a weight of 5 kg and so on. Each participant has to wear a tag that describes her role in the group. In case she has more than one role, she has to wear a tag for each activity. In this way, participants can calculate the burden of the jobs that they are doing. The facilitator will have to assign a weight in terms of kilograms to each of the tasks given below:

- Production coordination
- Marketing
- Quality control
- Design
- Public relations
- Finance
- Accounts, book-keeping
- Cleaning work place
- Any other tasks

The roles that members typically assume are brought into focus by the tags that they wear and must be used as part of the dramatization. Based on these roles, the scripts/role plays that they produce should reflect their real experiences.

Each group presents its own role-play. Hold a plenary after the role-plays to highlight the difficulties faced by the groups in sharing tasks and responsibilities as well as the lessons learned.

Handout 3: case study on leadership and team work

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Khun Layyat is the leader of the Bong Ho women's group that produces and sells artificial flowers. She is also a religious leader in a Buddhist monastery. She has a regular job of looking after the monastery, giving lectures and leading meditation sessions with visitors who come for retreats at the monastery.

She knows about costing, pricing and marketing of the products and interacts with all the customers. She decides what quantities to produce against the orders and delivers the product. She handles cash and helps the accountant in writing and finalizing the accounts.

One day, some interested customers came to visit the group but Khun Layyat could not meet them. Three days earlier, she was engaged in meditation and other spiritual work at the monastery. She had to ensure that the people at the meditation retreat were well looked after. As a result, she was too tired and ill and was not able to meet the group's prospective clients.

*Exercise*

*Discuss the situation of the group, and suggest how the group can address these issues. Present the situation as a role-play.*

*This case study can be used across different sectors such as food, wood, textile and handicrafts.*



Handout 4: case study on division of responsibilities

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The women's group in Ang Thong Tambon makes high quality textiles that have a very good market. All their production is sold within a month. Traders and customers from Bangkok visit them to place orders. The Cooperative Promotions Department had supported the group. Khun Nallini from the CPD visited the group one day to check how they were doing.

When she looked into the accounts, she found that these had not been tallied for over three months. The women told her that the group leader, who knew and managed every aspect of the group's business, had died three months ago. There were many aspects of the group business that the members did not know how to manage. They certainly could not say what the costs, earnings and surpluses were. They also could not exactly explain the savings scheme that was supervised by the Local Administration Council. They wanted Khun Nallini to tell them about savings, accounts, finances and marketing so that they could begin to manage their group affairs.

*Exercise*

Discuss the situation of the group. Prepare and stage a role-play on the case study.

Handout 5: case study on team-building

---

The Klaung Hua women's group in Anghong makes handicrafts from water hyacinth. The group has 85 members and all are economically active in the group.

While 30 women are involved in obtaining the raw material, 20 more work to plait this into one-meter pieces. Another 30 members make the final products. Five members are selected for marketing and quality control activities.

All members meet on a quarterly basis to decide prices for different products according to prices prevailing in the market. As a team, the group also takes decisions on how the profits would be utilized.

*Exercise*

Analyse how the group divides its work. Discuss how your own group divides the work and how joint decision-making takes place.

***What you have learnt in this module***

- The importance of leadership.
- Groups must have clarity about the roles and responsibilities that must be assigned. At least two to three members must be involved in marketing, at least two in public relations and accounts, and at least two in assigning production and quality control.
- A group should have a good balance of “paid” staff and “volunteers” to ensure smooth functioning.
- Groups with good leadership and teamwork can become prominent members of local society and gain recognition for their work.

# Module 10

## NETWORKING

### *What you will learn in this module*

- Understand the benefits of networking
- Explore the possibility of networking among groups

### **SESSION PLAN**

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<b>Session 1</b>	Discussion on networking in groups	1 hour 30 min
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## **SESSION 1: *Discussion on networking in groups***

- Rural women's group businesses can draw several benefits by networking with one another.
- Small enterprises face many difficulties and rural women's groups face similar problems (see handout for details).
- Ask the participants about difficulties that rural women's groups face in networking.
- Write these on the board and discuss examples given by participants.
- Initiate a discussion on how networking can help to solve some of these problems.
- Ask participants to give examples of networks they know about in Thailand in the micro and small sector as well as in the cooperative sector.
- Ask them if they know any networks of rural women's groups.
- Ask them if they have tried networking and what experiences they have had.
- The participants may want to share negative experiences they may have had. Let other participants analyse and suggest why the problem could have come up and how it can be prevented the next time.
- List some common needs of rural women's groups such as credit for fixed and working capital, improvement of product, access to markets and better packaging.
- Generate ideas on how groups can network to improve their ability to get these services.
- Use handouts as needed to give examples of different networks in Thailand.
- Use the TBIRD case study as an example of networking between the private sector and an NGO.

- Use the case study of establishing a marketing network through the post office as an example of good horizontal networking among women's groups.
- Motivate participants to network with other groups to meet common needs and address common problems. They can buy products from each other, learn production techniques, market products together, share resource persons, contacts, collaborators, etc. List several ways in which they may network to mutual advantage.

*Handout 1: case study on private sector partnerships for development*

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A leading Thai non-governmental organization (NGO), Population and Community Development Association (PDA) pioneered the Thai Business Initiative for Rural Development (TBIRD) in the early 1990s with the aim of using private sector business skills to build the capacities of the poor people of Thailand to become small-scale entrepreneurs.

The basic premise was that while government and NGOs have expertise in social development, it is business houses who know how to do business best.

While several business companies were keen to join the initiative, most business houses preferred to contribute money rather than work directly with the rural poor. They did not understand rural development and trusted the NGO to do this best. However, this was not acceptable to PDA, which was looking for field-level collaboration with the business houses and not just their money. As PDA founder Khun Meechai told the business houses: "We do not want to have your money, we want to have your brains".

One of the first successful collaborations was one with the multinational company VOLVO. After surveying the proposed project villages and holding discussions with villagers, the company decided to build golf courses.

It was also decided to set up tree plantations on one-acre plots. The trees would be sold to the house-construction industry in Bangkok. The villagers were provided the technology for cultivating trees that could be transplanted. This enterprise became successful with a large number of builders approaching the villages for supplying the trees. As VOLVO representatives took part in this process, they also began to identify new businesses for themselves.

The example shows how both business houses and rural poor can benefit from linkages based on promotion of entrepreneurship.

The PDA has set up partnerships with over 140 business companies. While several provide financial support for programmes implemented by PDA, many business houses have formed business partnerships with the rural poor. Rural youth have been trained to make popular global brand products such as *Nike* and *Bata* shoes.

The companies can get products made at a lower cost and maintain good worker-management relations in these production units. Rural people, on the other hand, are able to find jobs near their villages and stay closer to their families.

Many of these units are still operational more than a decade after they started and pay good wages to their workers. However, lower labour costs in other developing countries in the region are threatening some of these units with closure.



Handout 2: case study on networking for marketing by women's groups

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Most women's cooperative groups in Thailand use four types of marketing strategies.

- Direct sales
- Selling through middle men
- Sales through exhibitions organized by the CPD
- E-Commerce system set up by the CPD

The CPD has identified the post office as a strategic marketing partner for women's groups and the following model has been introduced in Songkhrala district, Hatyai Province.

A customer wanting to buy products from a women's group, sends a purchase order to the group by letter or telephone. The group sends the product in a parcel to the post office nearest them, which, in turn, forwards the package to a post office closest to the customer. The customer collects the parcel and sends the money (payment) through the post office.

- The Hatyai Central Post Office, the Tourist Authority of Thailand and the Cocoa Company will be partners.
- The Tourist Authority will prepare a brochure with information on cooperative women's group products, their sources and prices.
- The Hatyai Central Post Office will collect information about products of cooperative women's groups in southern Thailand, with the help of post offices in the province.
- The Cocoa Company will provide financial and public relations support to the project.
- The Central Post office has a committee including:
  - the chief of the post office
  - the district governor
  - a representative of the tourist department
  - a representative of the cooperatives
  - an officer of the regional CPD

The committee will take decisions on issues related to the selection of products and their prices.

Under this scheme, the customer selects the product from the information brochure provided by the Central Post Office. The customer makes a purchase order listing the product code and its sales price. The purchase order is sent with a demand draft for the payment to the Central Post Office. Based on the order, the Central Post Office obtains the products from the particular women's group and sends these to the post office nearest to the customer.

The price of the products is fixed all over southern Thailand and includes subsidised postal charges.

#### *Advantages of the scheme*

- The women's groups are able to sell their products.
- They get a good price for their products.
- Middlemen can be eliminated.
- The Tourist Department uses its influence to promote the products.
- The Post Office also earns some income.

#### *Limitations*

- Difficult to monitor and maintain uniform product quality among different groups.
- The product may be damaged during transportation.
- Women's groups produce in limited quantities and may not be able to meet bulk orders at short notice.
- It will be necessary to collect a lot of information about the products.

### ***What you have learnt in this module***

- Networking is a very useful tool for rural women's cooperative businesses.
- Networking among different women's groups helps them in procuring raw material at a lower cost. It also helps to improve marketing of their products.
- Effective networking through middlemen is needed to reach national and international markets.
- Networking with designers enables the women's group businesses to update the design and pattern of their products according to customer needs and preferences.
- Networking and partnerships with industry enables NGOs and government to promote viable businesses with a long term perspective.
- Collaborating and networking with the CPD provides the groups with regular information about opportunities to display their products and contact new customers. Exhibitions also help the women members to keep up-to-date with new technology for production and packaging.

# Module 11

## MONITORING AND EVALUATION

### *What you will learn in this module*

- How to improve the business
- How to track business performance
- To evaluate and readjust to new business situations in order to survive and grow
- To collect and collate information on women's cooperative businesses to facilitate planning of future support activities.

### SESSION PLAN

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<b>Session 1</b>	Evaluating women's cooperative businesses	2 hours
<b>Session 2</b>	Preparation of action plans	1 hour 30 min
<b>Session 3</b>	Information for monitoring and support	2 hours

**SESSION 1: *Evaluating women's cooperative businesses***

- It is important that members of rural women's cooperative groups assess and evaluate themselves on a regular basis.
- The evaluation must be multi-dimensional.
- The dimensions of success relate both to business as well as the cooperative nature of the business.
- Initiate a discussion on the six different dimensions of success explained in the handout. Add any more dimensions and indicators that they may want to include.
- Divide participants into groups according to their business activities and assign them the task of assessing their group business based on these criteria. Allot about 45 minutes to one hour for the exercise.
- Assist the participants in categorizing the results of the exercise in terms of strengths, weaknesses, opportunities and threats.

Handout 1: *indicators of a successful rural women's cooperative business*

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*Business-related indicators*

The business success of a rural women's cooperative can be assessed from the following indicators:

- Volume of sales
- Regularity of sales
- Profit per member
- Quality of product
- Marketability of product
- Returns on investment

It is important to see if there has been growth in sales and profits over the preceding three to five years. Sustained growth is an important indicator of the success of a business. If the business has not grown in any way, there is a chance that it is losing out in the market and must be examined carefully.

*Indicators of effective cooperation*

In a rural women's cooperative business, the nature of cooperation is the key to its success. The first and foremost indicator of a cooperative enterprise is that it has common purpose. This can be assessed from the group's articulation of its purpose/mission. There should be clear statements of the product/service to be produced by the group and its business strategy.

It is useful to see if the group has used the tool of business planning, which makes periodical monitoring and necessary adjustments easy.

It is even more important to meet the following criteria:

- Cooperation among group members
- Sharing of work and responsibility
- Sharing of information

*Promoting rural women's cooperative businesses in Thailand: a training kit*

- Maintenance of books/accounts
- Sharing of accounts/information with members (transparency)
- Team spirit – interaction among different group members with common purpose
- Leader's ability for business, group management and networking.

*Social factors*

Family and community support has a direct impact on the group's success. Many cooperative women's groups engage in social and religious ceremonies and celebrations. While this may bring recognition from the community, it can also drain the group's finances. It is important for the group to keep in mind the importance of re-investment in business.

*Networking*

A group that is well networked with other women's groups, government officers and local business, finds it easier to sustain and expand its enterprise.

Handout 2: success checklist using MAIR model

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The following checklist is useful to assess if the business is successful. The list has been developed on the basis of MAIR model in module 2

***Motivation and determination***

- What is the group's primary motivation for starting a business?
- Did the group try to start a business before this?
- How much do the women already know about the business?
- Did members' families support them in starting this business?

***Ability and experience***

- Does any member of the group have previous experience of running a small business?
- Does any group member have experience in the business they want to start?
- Does any member have experience of managing a similar business?  
Can a person be locally hired to manage the business?

***Idea with market***

- What product or service will the group sell?
- What customer need does it meet?
- Who are the customers?
- Is the product developed and tested, if necessary, for the standards specified? Is it ready now for the market?
- What quantity does the group expect to produce and sell?
- How does the group know that customers will buy? Has a market survey been conducted, even if informal?
- Why will the customers prefer the group's product/service over that of competitors?



**Resources needed and their availability**

*Physical requirements*

- What is the minimum scale of production for starting the group business?
- Will that level of production give enough income to group members?
- What resources will be needed?
  - Premises
  - Machinery
  - Equipment
  - Stock of raw material
  - Workers

*Financial requirements*

- Is there a business plan of any sort?
- What are the cash needs for the first year?
- What are the profit and balance sheet projections?
- What will be the unit cost and how has it been calculated?
- What targets/standards are built into the proposal? Look at:
  - utilization of resources
  - efficiency
  - wastage
  - quality maintenance factors
- Does the group have training requirements – for example in design or packaging? How much finance is needed to meet these and how will it be obtained?

**SESSION 2: *Preparation of action plans***

- Distribute copies of the action plan format among the participants.
- Explain that the objective of the training is to improve the management of their businesses.
- They have learnt many things during the training and it is important to reflect on what has been learnt. This learning is based on the evaluation of the group business in the previous session and can be summarised in terms of the strengths and weaknesses of the group business. The participants must also summarise any new opportunities or threats they face.
- This will help them to decide changes needed in their business practices and the actions they should take after the training programme.
- The action plan may include items that will be immediately implemented and others that require longer term implementation.
- Let the participants work in groups for about 45 minutes. Hold a plenary session after this and have all groups share three major points of action.
- The action and business plans are the tools which the groups can use to monitor themselves on a regular basis.

Handout 1: format for action plan

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*Action planning after training on promoting sustainable cooperative women's group enterprises*

You came to this training as representatives of your group and have spent five days learning how to improve the business of your group and conduct it along cooperative principles.

How would you like to make use of this learning when you return to your groups? Use the following stem statements to prepare your action plan.

1. *We will teach our group members about* .....

.....

.....

.....

2. *The analysis of our cooperative women's group business indicates the following:*

*Strengths* .....

*Weaknesses:* .....

*Opportunities:* .....

*Threats:* .....

3. *We will now change and do differently*  
*(group meetings, marketing, leader selection, etc.)*

.....

4. *We will take the initiative in*.....

*(Optional) Name of Participants:*.....

*Name of group:*.....

*Product/ business:*.....

*Province:*.....

**SESSION 3: *Information for monitoring and support***

- The CPD is supporting 6 000 women's groups in Thailand.
- About half of these groups have a good business while the others face difficulties.
- Many groups with viable businesses do not function on cooperative principles.
- The CPD needs information about these groups in order to facilitate their transformation into vibrant cooperative businesses.
- Each group must provide this information to the CPD.
- Group members can provide this information on their own or they can seek the help of the CPD provincial team and give the required information.
- The department can then analyse and consolidate this information for building business capacities of the groups and to provide them with business development services.
- The handout contains the format for collecting this information.
- It is useful to explain the format to the participants and have them practice filling it out.
- Trainers may guide this process and help members to identify additional support services needed.

Handout 1: *format for collecting information on rural women's groups/cooperatives*

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Data category

Information about the rural women's cooperatives has been organized into several categories for easy data collection.

- General information
- Production information
  - product details
  - raw material and equipment details
  - production process details
  - packaging details
- Marketing information
- Financial information
  - a) Sales
  - b) Savings
  - c) Accounting results of the previous year from audited statements.  
These may be from the year currently closed, or the preceding year, whichever are the last audited accounts:
    - sources of funds
    - uses of funds
    - revenues
    - costs
    - profits
- Group member information
- Problems and needs
  - history of support and training from the CPD and other government departments (Financial support by way of grants and loans, marketing support, training programmes attended (dates/topics))

General information

1. Name of the cooperative
2. Address
3. Year of establishment
4. Total number of members and number of active members
5. Brief history of the group
6. Type of Business: such as service, producer, wholesaler

Production information

*Product details*

- Product name and picture
- Product type such as wood, handicraft, food, textile, other
- Quality guarantee or award
- Quantity of the product per month/year

*Raw material and equipment details*

Raw material

- Name of raw material
- Resource of raw material
- Cost of raw material

Equipment

- Name of equipment
- Resource of equipment
- Cost of equipment

*Production process details*

- Description of each stage of the production process for each product

*Packaging details*

- Packaging material
- Package designer

Marketing information

- Advertising channels: TV, newspapers, brochures, word-of-mouth marketing, exhibitions
- Market place
- Customer details
  - customer response to product
  - main customers

Financial information

*Sales*

- Production cost per unit
- Sales price per unit
- Amount sold per month/year

*Saving*

- Saving per month/year
- Maximum and minimum saving

*Accounting and bookkeeping*

- Name of accountant

Group management information

- Name of committee members
- Role and responsibility of each committee member

*Data collection form*

Date of interview: .....

Interviewer: ..... Position: .....

Interviewee: ..... Position: .....

1. General information

Name of women's group: .....

Address no.: ..... Village:.....

Sub district: ..... District: ..... City: .....

Province: ..... Zip code: .....

Tel. no.: ..... Fax: .....

Name of Cooperative: .....

Address no.: ..... Village:.....

Sub district: ..... District: ..... City:.....

Province: ..... Zip code: .....

Tel. no.: ..... Fax:.....

Total number of members: .....

Number of active members: .....

Type of Business (tick as many as apply)

- Production
- Service
- Trade
- Other

Brief history:

Date/ year of formation of group

.....  
.....

2. Production information

*Product details*

Product name:

1. ....
2. ....
3. ....

Please attach sample pictures of each product if available.



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Product type

- Wood ● Food ● Handicraft
- Textile ● other- please give details

.....  
 .....

Quality guarantee or awards achieved:

1. ....
2. ....
3. ....

Quantity of the product per month/year

<i>Product name</i>	<i>Numbers per month</i>

What is the maximum number of products you must allow for? What does this mean?

*Raw material*

<i>Name</i>	<i>Source</i>	<i>Cost</i>	<i>Area found</i>	<i>Product</i>

*Equipment*

<i>Name</i>	<i>Source</i>	<i>Cost</i>	<i>Product</i>

*Production process details*

Description of each stage of the production process for each product

.....  
 .....  
 .....  
 .....  
 .....

*Packaging details*

Packaging material:

- wood ● glass ● water ● hyacinth ● cloth
- Paper ● Plastic
- other – please give details

.....  
 .....

Name of packaging designer: .....

3. Marketing information

Advertising channels:

- TV ● newspapers ● brochures ● exhibitions
- word-of-mouth marketing ● other – give details

.....  
 .....

Main market place: .....

Customer response to product: .....

Main customer (may have two or three main categories, trader in Tambon,  
 trader in Bangkok, government departments, could provide five categories):

.....  
 .....  
 .....  
 .....  
 .....

4. Financial information

*Sales*

Product per month	Amount sold	Production per unit	Sales price per month	Total sales

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*Savings*

How much does the group save per month:

.....

What is the interest rate members get from saving:

.....

Maximum savings per month: .....

Minimum savings per month: .....

*Accounting*

Accountant's name: .....

Is she/he a qualified accountant: .....

(Write the specific qualifications of the accountant)

*5. Information about group members*

*Name and position of the committee member*

	<i>Name</i>	<i>Position</i>	<i>Responsibility</i>
1.		Chairperson	
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			

*Problems and needs*

History of financial support

<i>Year</i>	<i>From</i>	<i>Amount</i>	<i>How was the money spent</i>

History of training

<i>Course</i>	<i>Date</i>	<i>Organizer</i>	<i>Duration</i>

Future training programme required:

1. ....
2. ....
3. ....
4. ....
5. ....
6. ....

What are the other business support needs of the women's group?

1. ....
2. ....
3. ....
4. ....
5. ....
6. ....

### ***What you have learnt in this module***

- Regular monitoring and evaluation of rural women's cooperative businesses helps to identify the strengths and weaknesses of the group and its business. This helps the group to take its businesses towards success.
- Preparing an action plan gives an indication of how each individual participant adapts the training lessons to practice. This helps to spread and replicate training lessons.
- A coordinated information system helps to build the capacities of rural women's groups. The information collection format provides a tool for maintaining the database on women's cooperative businesses.
- The CPD can then analyse and consolidate this information to build capacities and to provide business development services to the groups.

# Module 12

## FEEDBACK OF TRAINING

### *What you will learn in this module*

- To assess whether the training was useful to the participants
- To assess whether it led to significant attitudinal changes among participants
- To analyse the training methodology
- To plan future training programmes

### SESSION PLAN

---

**Session 1**

Feedback of training

1 hour 30 min

---

## **SESSION 1: *Feedback of training***

- It is important that participants give their own assessment of the training programme, both in writing and verbally so that trainers can evaluate its effectiveness. Use the feedback form in the handout for the written assessment.
- A written assessment makes it easier for participants to be critical without offending anyone.
- Verbal feedback allows people to express both positive and negative feelings that they might not have included in the written assessment.
- The participants must assess both the content and methodology of the training programme.
- The feedback form should have enough blank space so that participants can write questions, suggestions or comments.
- After collecting the completed feedback forms from the participants, invite them to verbally share their feelings and make suggestions for improvement.
- Listen carefully to negative feedback and check with participants how the training can be improved next time.
- When participants indicate that some subjects are more useful than others, plan for more training on such subjects.
- When participants find it difficult to understand some topics, plan for refresher training courses.
- Conclude the training programme and session with acknowledgements to all those who helped to make it successful and offering your best wishes to the participants for success in their business ventures.

Handout 1: *training feedback forms*

---

*Format for participant feedback on the training*

1. What are the three most important things you learnt during this training? .....

.....

2. Please tick the training subject you found most useful for your group. Do you think it is necessary for the group members to learn about this?

<i>Module</i>	<i>Necessary</i>	<i>Good to learn but not necessary</i>	<i>Not useful</i>
Concept of business			
Understanding cooperative group businesses			
Gender Issues in women's group businesses			
Costing and pricing			
Bookkeeping			
Marketing			
Savings, risk management and use of profits			
Business plan			
Leadership and team building			
Networking			
Monitoring and evaluation			
Feedback of training			
Sector case studies			



3. How are you going to use the learning in your daily life and your cooperative group after returning to your villages?

.....  
.....  
.....

4. Did you enjoy the learning methodology? Please comment on the use of:

- Group exercises .....
- Role plays .....
- Case study discussions .....
- Market visits.....
- Lectures by teachers.....

5. Do you have any other suggestions to make this training more useful to rural women's cooperative group businesses?

.....  
.....  
.....

(Optional) Name of Participants.....

Name of group: .....

Product/ business: .....

Province: .....

***What you have learnt in this module***

- To collect verbal and written feedback from the trainees/participants both on the content and methodology of the training programme
- The feedback helps to refine and plan future training programmes

# Module 13

## SECTOR CASE STUDIES

### Introduction

This training kit is intended for a rural women's cooperative group business with a focus on four sectors: food, wood, handicrafts and textiles. Each module of the kit contains case studies which can be adapted for different sectors using the tips given along with the handouts.

This module contains four additional case studies, one from each sector.

#### *Case study details*

<i>Sector</i>	<i>Product</i>	<i>Rural women's cooperative group</i>
Food	Rice-roll crackers	Ban Chumpol
Wood	Bamboo furniture	Banna Maepu
Textile	Cotton weaving	Ban Tab Klai
Handicrafts	Artificial flowers made with <i>sal</i> paper	Pishalnulok

The trainers may adapt or use these additional case studies as alternatives.

## **Food**

Case study: *Ban Chumpol women's cooperative Business, (rice-roll crackers)*

### General information

Address: 23/1 Village Chumpol, Salthingpra District, Songkla Province

Established in 1998 to produce traditional sweets, the group later added products such as rice-roll crackers.

### Savings

The group's monthly savings range between 8 000 and 10 000 Baht, which are deposited with the Agricultural Cooperative in Salthingpra. The group offers a 3 percent annual interest on deposits and is not engaged in any credit activity. Pensri Yupayong is responsible for the savings activity

### Production

<b>Product</b>	<b>Annual sales (Baht)</b>	<b>Gathering</b>		<b>Distribution</b>	
		<i>Cost per unit in Baht</i>	<i>Annual cost in Baht</i>	<i>Price per unit in Baht</i>	<i>Annual sale in Baht</i>
Sugar palm	3 000	8.73	26 190	9	27 000
Rice cracker	1 200	3.88	4 656	4	4 800
Cashew nut	1 000	7.76	7 760	8	8 000
<i>Roti</i> -cracker	1 200	6.79	8 148	7	8 400
Sweetmeat-cracker	1 200	6.79	8 148	7	8 400

### Raw material purchased from retail shops in Hatyai district

<b>Item</b>	<b>Volume</b>	<b>Cost (Baht)</b>	
		<b>Per unit in Baht</b>	<b>Annual purchase in Baht</b>
Glutinous flour	20 sacks	480	9 600
Tapioca flour	70 sacks	280	19 000
Sugar	36 sacks	645	23 220
Dressing sugar	50 kg	400	19 200

*Tools and equipment*

<i>Item</i>	<i>Source</i>	<i>Cost in Baht</i>
Grinding machine	Subsidy from Non-formal Education Center	4 500
Threshing machine	Subsidy from Rural Development Office	16 000
Electric mould	Subsidy from Rural Development Office	45 000
Oven	Subsidy from member of parliament	18 000
Stove mould	Songkla Agricultural Cooperative	9 000
Specific mould	Purchased from group's budget	2 000

*Production process*

The production process includes

- Preparing and mixing the ingredients
- Making the rolls and baking them in the oven
- Packaging

The members design the packaging themselves.

*Marketing*

Neighborhood retailers are regular customers of this group. The average individual purchase ranges from 1 000 to 2 000 Baht and the group's monthly income varies between 10 000 and 21 000 Baht.

*Quarterly performance*

<i>2002</i>	<i>Income in Baht</i>	<i>Expenses in Baht</i>
June	21 585	12 667
July	11 413	8 544
August	10 001	5 606
September	14 884	9 049

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Job distribution

<i>Book-keeper</i>	Salowanee Buayom
<i>Marketing</i>	All members, in local markets
<i>Production</i>	All members
<i>Finance management</i>	Group Leader (Pensri Yupayong)

Group decision-making pattern

The group's accounts were not audited for the past two years. The group retained 4 percent of the profits as working capital and distributed the remaining surplus at the rate of 10 000 to 14 000 Baht per member.

<i>Frequency of meetings</i>	Once a month
<i>Meeting agenda</i>	Production, product distribution, savings
<i>Process of decision-making</i>	Discussion and comparison with other groups
<i>Average value of shareholders</i>	500 Baht
<i>Frequency of leader selection</i>	Once a year

Training programmes attended by the group

<i>Course</i>	<i>Date</i>	<i>Organizer</i>	<i>Duration</i>
One Tambon One Product	25-27 June 2002	Songkla Coop. Office	3 days
Product development	24-27 April 2002	Coop. Training Center 9, Songkla	4 days

Future plans

- Increase markets
- Training for members on baking of rice rolls

Needs of the group

The group needs the following resources and training:

- Flour mill machine

- Product design
- Product image creation
- Training in production of other sweets

*Exercise*

*Discuss and analyse the strengths and weaknesses of this group and make a suitable business plan.*

**Wood**

Case study: *Bannamaepu Cooperative Women's Group Business (Bamboo furniture)*

General information

*Address:* 349 village 19, Tambon Bangdad, Nong Buadang District, Chaiyaphum Province.

Before the group was set up on 15 August 2000, Bannamaepu villagers had to cut trees on public forest land to make furniture. To avoid this, they switched to bamboo furniture after attending a training course conducted by the Non-Formal Education Center. The bamboo furniture women's group enterprise was set up with 37 members and registered with the local agricultural cooperative.

Group capital

1. The Cooperative Promotion Department provided two grants of 45 000 and 85 000 Baht to the group.
2. Members mobilized 3 700 Baht on their own with each member contributing 100 Baht.

Production

<i>Item</i>	<i>Monthly purchase in Baht</i>	<i>Monthly sales in Baht</i>	<i>Margin to group in Baht</i>
Small cot	44 400	48 100	3 700
Large cot	55 500	66 600	11 100
Shelf	14 800	18 500	3 700
Lamp shade	7 400	11 100	3 700
Traditional tray	3 700	4 400	740

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Input supply

<i>Goods</i>	<i>Cost in Baht</i>	<i>Price of goods sold to groups</i>
Plastic rope	20 000	40 000
Colour	10 000	20 000
Glue	3 000	5 000
Clay rich in alumina	1 000	2 000
Wood	30 180	51 800

Sales

<i>Product</i>	<i>Monthly sales (units)</i>	<i>Monthly sales (Baht)</i>
Small bed	30	60 000
Large bed	10	40 000
Shelf	30	3 000
Total		103 000

Total annual sale is 700 000 Baht.

Raw material

<i>Item</i>	<i>Monthly amount</i>	<i>Monthly expense (Baht)</i>
Bamboo	7 tonnes	49 000
Colour	55 litres	30 000
Clay rich in alumina	90 kg	810

The raw material is purchased from a neighbourhood wholesale shop.

Tools

<i>Item</i>	<i>Source</i>	<i>Cost (Baht)</i>
2 Drill machines ( <i>Boss</i> )	Construction shop in Chaiphaphum	8 600
2 Drill machines ( <i>Makita</i> )	Construction shop in Chaiphaphum	8 600
5 Clamps	Construction shop in Chaiphaphum	2 000
1 Drill set	Construction shop in Chaiphaphum	2 800



Process of production

The production process includes:

- Preparing and cutting the bamboo before fabrication
- Fabrication of furniture
- Polishing and colouring
- Waxing (except in specific cases where waxing is not requested)

The entire production process takes about 15 days. Workers with elementary carpentry skills are hired. The current products were designed after discussions among members. The group requested training for advanced skill development from the Provincial Labor Skill Development Center.

Marketing

<i>Channel</i>	<i>Annual volume sale (Baht)</i>
Sales by group	330 000
Exhibitions	120 000
Irregular clients	250 000
Total sales	700 000

The group has clients in several provinces such as Chonburi, Korat, Lopburi, Khonkaen, and Bangkok. Generally, high-income clients prefer larger furniture, while low-income customers buy smaller pieces. The group's products enjoy a reputation for good quality at low price. Its competitors are in Pimai District, Korat, and Chong Salmoe District.

Savings

The group treasurer is responsible for savings and credit activities. The group offers 4 percent annual interest on savings and charges its members 12 percent yearly interest on credit.

Credit

<i>Purpose of credit application</i>	<i>Scale of credit (Baht/head)</i>
Working capital	2 000
Health care treatment	3 000

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Job distribution

- The secretary of the group is responsible for bookkeeping, even though she has no training in this.
- The group's business accounts were audited over the past two years, but a report from the auditor had not been received.
- Marketing is handled by three marketing sub-committees.
- Production is handled by two sub-committees.
- Finance is handled by three sub-committees.
- Promotion is handled by two sub-committees.

Decision-making pattern of the group

- Leaders are elected once in a year.
- The group meets once a month and takes decisions by vote.
- In case of a tied vote, the leader of the committee is authorised to make the final decision.
- There have been some conflicts among group members regarding the issue of actual sales of products.
- Respondents felt that members understand the principles of cooperatives and cooperation.
- The average shareholding is two shares per member at 100 Baht per share.

Training

<i>Content</i>	<i>Year</i>	<i>Organizer</i>	<i>Period</i>
Quality of life development	2001	Cooperative promotion department (CPD)	5 days
Group strengthening	2002	CPD	5 days

Future training needs

- Product design (down-sizing)
- Accounting

Future plans

Current production exceeds sales and as a result, the group holds large stocks. The group wants to decrease production by 30 percent to reduce stock-carrying costs.

Other needs

The group felt the need for the following additional resources:

<i>Item</i>	<i>Amount</i>
Working capital	800 000 Baht
Equipment	100 000 Baht
Raw material	50 000 Baht
Training	40 000 Baht
Skill development	20 000 Baht
Land	100 000 Baht
Building	200 000 Baht
Stationery	100 000 Baht

Exercise

*Discuss and analyse the strengths and weaknesses of this group. Make a suitable business plan for this group based on the strengths and weaknesses.*

**Textile**

Case study: *Ban Tab Klai – Cooperative Women’s Group Business*

General information

Address: Village Rai District, Uthai Thani Province

Year established: 28 April 1994

Number of members: 54

Number of active members: 25

The people of Tab Klai village in Uthai Thani province have a distinctive tradition of hand weaving and once used to weave textiles for themselves. However, now they often lack the funds to buy the raw material.

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Savings

The savings of group members ranges from 300 to 600 Baht. The group offers 4 percent interest per annum on savings. Kunya Pengun is responsible for this activity.

Raw material

<i>Item</i>	<i>Cost in Baht</i>
Cotton yarn No. 10/12	33 753.50
Cotton yarn No. 20/20	
Cotton yarn No. 40/2	
Large cotton yarn for Matmi (ikat)	

Product gathering and distribution

The group collects products from its members for distribution.

<i>Product</i>	<i>Cost in Baht</i>	<i>Sales in Baht</i>
Weaving cotton	166 454	195 828

Process of production

The process of production involves five steps:

- Purchasing the cotton yarn
- Dyeing the cotton yarn
- Preparing the weft and warp in the loom
- Preparing the weaving pattern
- Weaving

The group uses traditional looms for weaving.

Designing

While the weaving skills have been transferred from generation to generation, the weave patterns are a blend of the old and the new to attract customers. However, the group does not want to switch to new designs completely because it wants to conserve traditional weaving patterns.

Packaging

Paper and cotton bags designed by the Cooperative Promotion Department are used for packaging.

Marketing

<i>Market channel</i>	<i>Annual sales (Baht)</i>
Through the group	195 828
Exhibitions	1 000 000

Costing

A 23 cm x 2 mt piece cloth woven with an animal design, costs 2 045 Baht.

This is made up of:

<i>Material cost</i>	145 Baht (weft 50 Baht, warp 65 Baht, dying colour 30 Baht)
<i>Labour cost</i>	1 600 Baht (20 days, 4 hours per day)
<i>Administrative cost</i>	50 Baht (2 to 3 percent of total costs)
<i>Professional cost</i>	250 Baht
<i>Total cost</i>	2 045 Baht per piece

Business performance for the year 2001 - 2002

Income	276 116.50 Baht
Expense	233 184.50 Baht
Profit	42 932 Baht

Job distribution

Accounts	Salnit Jumpeeyao
Marketing	Kunya Peng-un, Ms. Jongruk Junton
Production	Kunya Peng-un, Ms. Jongruk Junton
Finance	Kunya Peng-un, Ms. Pradab Leongtong
Promotion	Kornnisaal Khuntae

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Committees

Number of committee members	<i>seven</i>
Terms of regular meeting	<i>once a month</i>
Meeting agenda	<i>business management</i>
Process of decision-making	<i>vote</i>
Election of leader	<i>once a year</i>
Shareholder value	<i>380 to 600 Baht per head</i>

The group distributes 15 percent of the total profits to members

Training programmes attended by the group

<i>Course</i>	<i>Date</i>	<i>Organizer</i>	<i>Duration</i>
Natural dyeing	20-22 September 2001	Coop Provincial Office	3 days, including field visit (weaving cotton group in Roi-et province)

The group needs training on product design and market identification.

Group needs

The group needs the following resources:

- business activities which provide effective regular income for its members
- marketing centre
- working capital of 200 000 Baht to meet production costs and collect products
- tools and equipment

Exercise

*Discuss and analyse the strengths and weaknesses of this group and make a suitable business plan based on these.*

## **Handicrafts**

Case study: *Pitsanulok – Cooperative Women's Group Business (artificial flowers from sal paper)*

### General information

*Address:* NakhonThai District, Pitsanulok Province

The group was established on 20 September 1999 within the mandated area of Nakhonthai Agricultural Cooperatives. The people of Ban-Yeang village were encouraged to start producing and selling artificial flowers made from *sal* paper after they visited other *sal* paper businesses and realized that their village had the necessary raw material *kenaf*.

The group then began improving its product quality and won an award in a 'new occupations' contest at the district level.

However, as their product quality was still not good enough for the market, the group took samples to the government's Industrial Promotion Center 2 (IPC) in Pitsanulok Province, which was set up to promote local craft and industry. There, the women attended a two-day training course on product quality improvement. In 2001, they attended additional training courses on dyeing and artificial flower making for a period of 10 days at IPC 2.

By 2002, the group had 52 members, with 37 of them active in business.

### Group capital

1. Miyazawa fund for training 20 000 Baht; working capital of 90 000 Baht in 1999.
2. *One Tambon One Product* training fund of 50 000 Baht; working capital of 700 000 Baht.
3. Mobilization of 1 560 Baht from 52 group members

### Committee

The group is represented by a seven-member committee. The term of each elected leader is one year. Production is supervised by the group leader and the group's consultant; finance management by the

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administrative committee and the accountant, while promotional tasks are handled by some members of the committee. The secretary keeps all bookkeeping records while marketing is conducted by a team of members. The accountant was trained by the cooperative's auditor as well as officials of the cooperative.

The division of duties is based on the five steps of the business:

1. Producing *sal* paper
2. Processing products from *sal* paper
3. Making artificial flowers
4. Promotion of *Kenaf* planting (raw material)
5. Marketing

Group activities

*Credit*

The group charges 3 percent interest per year on credit. The credit is used mostly for household expenses, *sal* paper production and making other products like artificial flowers.

Steps in the production process

1. Boiling the *kenaf* with sodium hydroxide for three hours
2. Washing with fresh water
3. Grinding
4. Screening and moulding the grounded *kenaf* in a net frame
5. Drying

Raw material

<i>Item</i>	<i>Monthly purchase (kg)</i>	<i>Cost (Baht)</i>
<i>Kenaf</i>	1 500	37 500
Sodium hydroxide	150	9 000
Chlorine	100	12 000



Tools

The grinding machine was bought from Lampang Province at a cost of 40 000 Baht.

Marketing

The main customers are the Thai Craft Company, Exporters.

*Sales by area and channel (Baht)*

<i>Local</i>	<i>Regional</i>	<i>Group</i>	<i>Exhibition</i>
75 000	315,753	220 253	170 500

*TOTAL*

*390 753*

Most of the competitors are private companies with access to more working capital, modern technology and a variety of products.

Income-Expense statement as on 31 March 2002

<i>Expense</i>		<i>Income</i>	
<i>Item</i>	<i>Amount (Baht)</i>	<i>Item</i>	<i>Amount (Baht)</i>
<i>Kenaf</i>	104 000	<i>Sale of sal paper</i>	110 753
<i>Sodium hydroxide</i>	25 600	<i>Sales of processed products (artificial flowers )</i>	280 000
<i>Chlorine</i>	13 200		
<i>Equipment</i>	25 370		
<i>Labour costs</i>	164 680		
<i>Per diem</i>	5 800		
<i>Water</i>	2 500		
<i>Electricity</i>	7 240		
<i>Depreciation</i>	17 700		
<i>Total expenses</i>	<i>366 290</i>	<i>Total Income</i>	<i>390 753</i>
<i>Net profit</i>	<i>24 463</i>		

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Use of profits

The group distributed the profits among its members at 100 Baht per head. A total of 5 200 Baht was given out as profit to 52 members.

Problems

The group has both financial as well as marketing problems.

Further needs

- Training on product design
- Increasing sales volume

Exercise

Discuss and analyse the strengths and weaknesses of this group and make a suitable business plan for the group based on this.

## ANNEX I

### **Cooperative sector in Thailand**

As in other developing countries, the cooperative sector in Thailand was established and promoted by the government as a means to improve income and livelihood opportunities for small farmers. The country's first cooperative, in the form of a small village credit cooperative called the *Wat Chan Cooperative Unlimited Liability*, was established by the government on 26 February 1916 in Phitsanuloke province.

With the success of the Wat Chan cooperative, the government expanded its support to a large number of small village credit cooperatives all over the country. The Bank for Cooperatives was set up in 1947. Two provincial cooperatives were established in Chiang Mai and Uttaradit provinces in 1952 and 1953. Multi-purpose cooperatives were set up in 1959 to meet additional demands of farmers. During this period, the government policy of cooperative amalgamation encouraged small credit cooperatives to merge with other types of cooperatives to form bigger bodies able to conduct a bigger volume of business for their members.

In 1966, the Bank for Cooperatives was reorganized into the Bank for Agriculture and Agricultural Cooperatives (BAAC) as a state-run financial centre for agricultural cooperatives and lending directly to individual farmers as well. Two years later, the Cooperative Society Act B.E 2511 was enacted to strengthen the cooperative movement. Also, in 1968, the Cooperative Act was amended to permit the establishment of the Cooperative League of Thailand (CLT) to function as the apex cooperative promotion organization.

The most recent amendment to the Cooperative Act in 1999 stipulated that all cooperatives would be affiliated to the CLT. Alongside, the government set up the National Cooperative Development Board to advise it on policy and guidelines for the promotion and development of cooperatives. The Act also provided for setting up of a Cooperative Development Fund in the Ministry of Agriculture and Cooperatives for providing financial assistance to cooperatives.

## **Cooperative sector in Thailand**

<i>Types of cooperatives</i>	<i>No of cooperatives</i>	<i>Members</i>
<i>National level</i>	5 617	8.4 million
Agricultural cooperatives	3 413	5.09 million
Land settlement cooperatives	71	14 813
Fisheries cooperatives	98	156 502
<i>Sub-total agricultural cooperatives</i>	3 582	5.26 million
Thrift and credit cooperatives	1 342	2.2 million
Services cooperatives	245	708 574
Consumer cooperatives	448	232 182
<i>Sub-total non-agricultural cooperatives</i>	2 035	3.18 million

## Case for enterprise training skills within the Cooperative Promotion Department

The Cooperative Promotion Department (CPD) has relied on the short-term hiring of external trainers for its training needs.

### *External trainers vs. an internal cadre of trainers on rural cooperative enterprise*

<i>Approach</i>	<i>Advantages</i>	<i>Disadvantages</i>
<i>Short-term contracting of external trainers</i>	Specialization Networking	Not always cost-effective Trainers may not be available at the right time for the right subjects Does not build institutional training capacity within CPD on rural enterprise development Use of external trainers does not lead to development of in-house training material
<i>Promotion of rural enterprise development expertise within CPD</i>	Developing a rural entrepreneurial skills set within the CPD Understanding of enterprise promotion as different from cooperative membership participation Less dependence on external experts; creating of in-house expertise on the topic	CPD needs expertise to better judge if trainers and training outputs are effective. Training staff have to serve both cooperative membership and rural enterprise training needs

## Promoting a culture of entrepreneurship

Government-sponsored groups tend to become dependent on the agencies promoting them. This culture inhibits a movement from support and hand-holding towards entrepreneurship development. A training programme requiring a change in this attitude is not easy to establish. Change is needed at all levels – policy-making, field staff and the women cooperative groups themselves.

A first enterprise development may fail and so may a second. But a subsequent venture will have more chance to succeed if the entrepreneurial spirit endures. Thus, the belief behind this training manual is that good business people create good businesses and, therefore, the focus must be on the entrepreneur and not the enterprise *per se*.

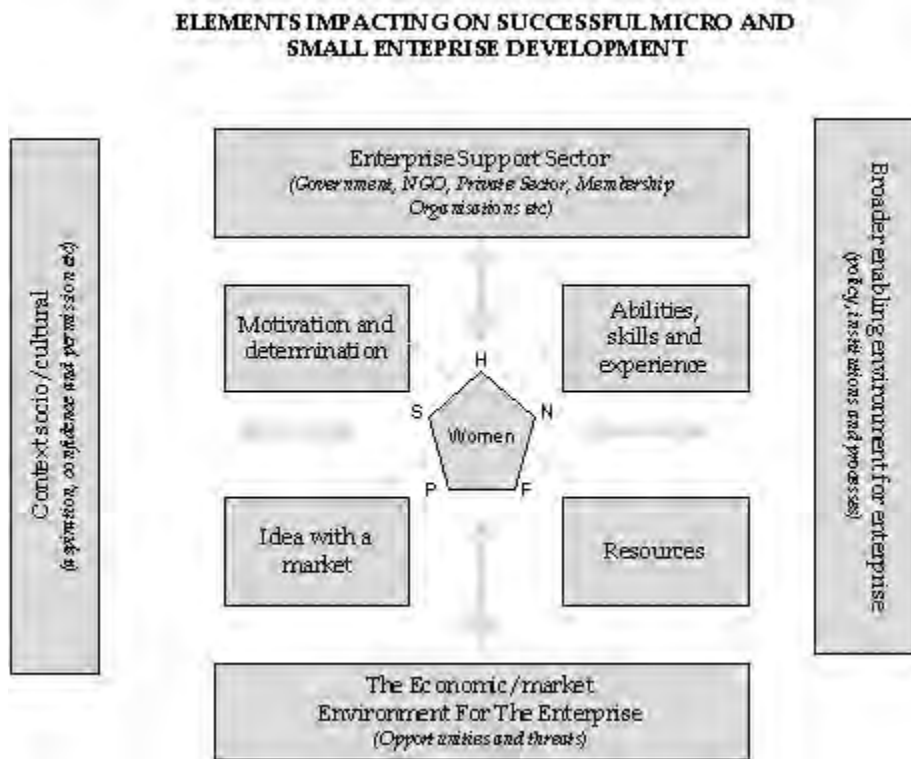
Promoting rural women's cooperative businesses in Thailand: a training kit

A major concern for the CPD is women's groups that remain economically unviable after taking government support. While being careful in selecting the groups to be assisted, the Department needs to strengthen its training programmes to capacitate the women's groups with entrepreneurial skills.

This training kit is not merely a training aid; it is meant to be a potential catalyst for stimulating demand for enterprise training and support services. It enables groups to become more aware of entrepreneurship needs. It also aims to make the government better responsive to various needs for rural enterprise development. These needs include not only grants, but also longer-term support such as improved technology and establishment of marketing linkages and networking among rural entrepreneurs.

A basic framework for rural enterprise promotion founded on an enhanced entrepreneurial attitude among group participants is given in the chart below (Richardson and Howarth, 2002). This Small Enterprise Development framework uses the MAIR (M = Motivation, A = Ability and experience, I = Idea with market and R = Resources) model for the success of a business and then goes on to suggest that agencies promoting small enterprises must take the following three factors in the external environment into account:

- Broader enabling environment for enterprises (regulation, policies)
- Economic/market environment
- Socio-cultural context



## ANNEX II

### **Process of making the manual**

The training kit was an outcome of the FAO Technical Cooperation Programme Project (TCP/THA/0165) “Capacity Building for Promotion of Cooperative Small Farmer and Women Group Activities” implemented in Thailand between April 2001 and May 2003.

### **The first phase: training needs assessment**

The process of data collection involved multiple stakeholders at the central, provincial and village levels.

Fourteen groups spread over three provinces were visited to obtain a field-level understanding. The groups included those with a good business, those with inadequate production and sales, and those that were no longer economically viable and active.

<i>RTCs that participated in all project activities</i>	<i>RTCs that participated in some project activities</i>
Chon Buri (RTC 2)	Prathumthani (RTC 1)
Nakhorn Ratchasima (RTC 3)	Khon Kaen (RTC 4)
Chiang Mai (RTC 5)	Chainat (RTC 7)
Phitsanulok (RTC 6)	Petchburi (RTC 8)
Songkla (RTC 9)	Surathani (RTC 10)

### **The second phase: preparation, TOT and pilot testing**

Two TCDC consultants on rural enterprise development worked with the Rural Development Officer in the FAO Regional Office, a national consultant and the CPD project director.

### **Review of enterprise training material**

The authors reviewed, in consultation with the project team members, the enterprise training material that was available and concluded that none of the documents was suited to the context of women’s group business development promotion in the cooperative sector in Thailand. Trainers on rural enterprise development in other Asian countries will also need to adapt the modules in this training kit to their own local situation.

## Using success case replication methodology

This involves identifying a successful, small-scale business at village level and assessing the scope for its replication. The successful entrepreneur is then invited to train others to follow his or her success. (*Success case replication: a manual for increasing farmer household income. FAO/ESCAP, 2000*).

### *Nine steps for success case replication*

1. Locate success cases
2. Assess replicability of these businesses
3. Assess farmer willingness to become trainers
4. Establish a practical training programme
5. Carefully select trainees
6. Supervise the training
7. Arrange follow up support service for training
8. Achieve secondary multiplication after first level success
9. Monitoring cost effectiveness of the methodology

Several women's groups trained by the CPD have achieved outstanding business success. The Department will be able to apply the success case replication methodology in collaboration with local governments and NGOs.

## Association with other organizations

The FAO TCP project collaborated not only with the CPD, but also with the *Cooperative League of Thailand (CLT)*, the *Bank for Agriculture and Agricultural Cooperatives (BAAC)* and *agricultural cooperatives*

Two CLT trainers attended the TOT programme in October 2002 as well as the project evaluation workshop and found each module of the training kit useful. Officers of BAAC were invited for the project evaluation workshop and indicated that they wanted to train intermediary groups in micro-finance, and could link with CPD for this.

Agricultural cooperative managers consulted during the project felt sure that the rural women's groups could learn and apply the training modules. The modules were very clear, easy to follow and gave them useful insights into how to manage and improve their businesses. Follow-up networking by CPD with organizations will provide a basis for wider use and applicability of this training kit.

## Process of TOT and pilot-testing

The process involved assessment of what and how to communicate to each of the following clients:

- Groups



- Trainers
- Facilitators

The facilitators are major players as they often influence local policies and support services.

During the project, staff members of the participating RTCs were trained to use the training kits. The process of producing the training material was itself a capacity-building activity. Regional and provincial level trainers were trained on:

- assessment of the ground-level situation
- understanding of training gaps and needs
- data collection, analysis and preparation of local case studies
- planning and conducting the training
- team-building among trainers and team leaders
- active listening
- devising ways of follow-up and support before and after training
- system-thinking, instead of ad hoc and partial planning for support to women's groups

The training kit was tested with 140 members of women's groups representing each of the four rural enterprise sectors.

### **The learning process**

The training needs analysis was refined through several discussions with CPD staff and women's group leaders and members. The learning process is conceptualised as a spiral including four stages:

1. Reflection: review of practice, and analysis.
2. Learning of new concepts.
3. Practice of new concepts: action.
4. Reflection on practical learning and practice, and continuation of the learning process.

Such a learning spiral may begin at any of the stages. A concept may be introduced, practiced by participants who then internalise it. Or, the discussion may start with a review of prevailing practice. New concepts may then be introduced, practiced and reflected on.

These stages are part of every training module and need to be followed by the trainers. There may be a need for refresher training on some modules so that the learning is taken to higher levels during subsequent training programmes. Once a positive spiral is established, women in group businesses can articulate their business needs better and will be able to meet these needs through their own efforts and linkages.

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