

Promoting rural women's cooperative businesses in Thailand

A training kit



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in collaboration with
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ABBREVIATIONS

AWCF	Asian Women in Cooperative Development Forum
CDD	Community Development Department
CLT	Cooperative League of Thailand
CPD	Cooperative Promotion Department
CULT	Credit Union League of Thailand
ILO	International Labour Organization
SME	Small and Micro Enterprise
UNAIDS	United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women

FOREWORD

Developing countries in Asia and the Pacific account for more than half of the world's population, with the overwhelming majority of people in the region depending on agriculture and related activities for their livelihood and income. Home also to two-thirds of the world's 800 million hungry people, most of them in rural areas, Asian developing countries face major challenges to increasing rural incomes in order to speed up national progress towards the 1996 World Food Summit (WFS) goal of reducing hunger levels by half by the year 2015.

A growing population and environmental degradation are putting severe stress on natural farm productive resources, compelling more and more rural people to turn to non-agricultural activities for supplementary income and, in a growing number of cases, for alternative livelihood. Moreover, the forces of globalization are increasingly exposing small-scale Asian farmers, a majority of them women, to market conditions for which they are poorly prepared.

The new challenges will demand major adaptation of existing small-scale farming systems through means such as diversification, value-addition, non-farm production and improved marketing. It is necessary to promote viable off-farm enterprises, based on local resources and processing of agricultural and other products. The resulting transformation in the nature of small-scale agriculture demands that small farmers organize themselves into group and cooperative-based size rural enterprises. Increasingly, there will be a demand for higher levels of farm and/or rural business planning and management skills.

In order to transform themselves into successful rural entrepreneurs, small farmers need improved access to essential social services such as basic health care and education, safe drinking water and electricity, as well as a widening range of support services including credit, product and market information, technology, management skills and training in enterprise development.

However, major challenges have to be met, particularly for women farmers who are among the poorest and most food insecure but have much potential to improve their livelihoods through better management of productive resources. There is a pressing need for policies and programmes which provide equitable access to productive resources and services to rural women, strengthening their capacities to manage rural enterprises. In view of persisting cultural, social, economic and political constraints, it is necessary to ensure that such policies and programmes are better targeted in order to empower rural women as entrepreneurs.

Agricultural cooperatives provide an equitable form of enterprise development in rural areas which is most suitable for rural women. Therefore, support to agricultural cooperatives as member-controlled, community-level rural enterprises will provide the right conditions for improving the livelihood of rural women as entrepreneurs.

Over the past decade, the Regional Office for Asia and the Pacific of the Food and Agriculture Organization (FAO) of the United Nations has been promoting

agricultural cooperative development through a regional network known as the Network for the Development of Agricultural Cooperatives in Asia and the Pacific (NEDAC). This is a platform for policy dialogue and sharing of experiences in agricultural cooperative enterprise development (ACED) among Asian member countries. It has provided new opportunities to member countries to benefit from FAO's technical expertise through pilot projects on ACED.

Promoting rural women's cooperative businesses in Thailand: a training kit is an outcome of an FAO Technical Cooperation Programme (TCP) Project, Capacity Building for Promotion of Cooperative Small Farmer and Women Group Activities (TCP/THA/0165). Under the project, FAO collaborated with the Cooperative Promotion Department (CPD) of the Ministry of Agriculture and Cooperatives of the Government of Thailand in enhancing the CPD's capacities for appropriate training of their trainers at provincial and local levels for the promotion of cooperative business activities for small farmers and rural women. The project contributed to food security by improving the self-help capacities and livelihood opportunities for small farmers, in particular women.

The FAO TCP project assisted in strengthening and building the in-house training capacity of the CPD in five regional training centres in central, northern, northeastern, eastern and southern Thailand. Training of trainers and field demonstration activities were conducted in the five regions and a comprehensive cooperative training strategy was adapted to different local conditions for capacity-building of rural women as successful cooperative entrepreneurs, making use of FAO's agricultural cooperative development experience in the region.

The FAO training kit on rural women's cooperative enterprises focuses on developing entrepreneurial skills and attitudes among women farmers. The kit was developed by two gender micro-enterprise development experts from the Indian non-governmental organization *Sampark* in collaboration with the Rural Development Officer in the FAO regional office. The training manual was field-tested in collaboration with senior managers and staff of the CPD training division in Bangkok, regional training centres, provincial mobile teams and with leaders and members of rural women's enterprise groups.

The CPD and other government agencies are using the FAO training-of-trainers approach in promoting the government's *One Tambon, One Product* policy – a major national programme for rural poverty alleviation through village enterprise development. This training manual has also been translated into Thai and has become part of the CPD training curricula.

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Finally, and most important, was the contribution of the 120 members of five women's cooperative groups who participated in the testing of the training modules. Their suggestions and inputs have added the quality needed for the successful development of the training kit.

INTRODUCTION

The cooperative sector in Thailand

The cooperative sector in Thailand is nearly a century old with a credit cooperative of small indebted farmers set up in 1916. As of January 2002, there were 5 617 cooperatives with more than eight million members. The three-tiered sector is made up of primary cooperatives at the village level, federations of three or more primary cooperatives at the provincial level and national federations of cooperatives.

There are an estimated 3 582 agricultural cooperatives – 64 percent of the total – with thrift and credit cooperatives making up another 24 percent. Service cooperatives (4 percent) and consumer cooperatives (8 percent) make up the rest.

All cooperatives are affiliated to the apex Cooperative League of Thailand (CLT), a statutory body set up in 1968 to promote cooperative affairs and facilitate communication among cooperatives, government and foreign institutions, as well as conduct research and offer technical advice. Other agencies dealing with cooperatives are the National Cooperative Development Board, the Office of the Registrar of Cooperatives, the Cooperative Promotion Department (CPD) of the Ministry of Agriculture and Cooperatives, the Cooperative Audit Department and the Bank for Agriculture and Agricultural Cooperatives (BAAC).

The primary objective of the sector is to organize small producers to enable them to derive the benefits of large-scale business operations. The government organizes a number of training and other projects that promote cooperatives and work on cooperative principles. Good training manuals are being used for capacity-building in the areas of organization, management and good business (FAO 1998; CLT 2002).

Women's cooperative groups

Cooperatives reach out to a large number of rural people and are parent institutions for about 6 000 smaller rural women's groups in activities that include:

- Thrift
- Credit
- Bulk purchase of raw material and sale to members
- Production
- Marketing

However, about half of these groups are now defunct. A large number of women's groups registered with cooperatives had availed of a government loan to assist rural people after the economic crisis of the late 1990s. Many of them

presented the cooperatives and the government with business plans that were not viable. Some businesses failed and the groups lost either the whole or part of their working capital assistance. In several cases, women's group members/leaders did not use the money for the stated business purposes and never returned the money to the group's account with the cooperative.

One-fourth of the surviving groups have good business operations. Others need to build their capacities to improve business performance. Typically, 30 to 50 percent of the members in these groups are active participants in the group's business, working three to four hours a day. Another 50 percent of the women's groups in business face problems related to accessibility and cost of raw material, product quality, insufficient sales and, therefore, insufficient work for group members.

A majority of the existing women's groups seek support from the Cooperative Promotion Department to improve their performance.

Need for developing entrepreneurial capacities among rural women's cooperative groups in Thailand

While women's cooperative groups have been set up as part of the government's efforts to help increase the incomes of women, the focus is more on providing support than on building capacities, thereby creating dependence on various government departments.

Rural women's cooperative groups have several needs for enhancing the viability and sustainability of their businesses. Some of these can be met by training, while others require different kinds of support.

They need capacity-building support which improves their ability to manage their own businesses. This attitude must be promoted both among members of women's groups as well as the facilitators.

The aim of this training kit is to assist rural women to become individual or group entrepreneurs and managers of cooperative businesses instead of helping set up enterprises *per se*.

Rural women's cooperative groups in Thailand cover a wide range of businesses. Some of their training needs are the same, for example those relating to business and accounting concepts. Other training needs, especially those related to technology, differ across sectors.

Several of these needs can be met by training members of the women's groups. As a long-term strategy, training is better than providing services because it enables the women to take charge of their own businesses.

The following needs have been stated by rural women's groups and identified by government staff and trainers:

Enterprise support needs

Information building and networking

Marketing support and linkages

Technical linkages

Credit linkages

Other services

Training needs

Principles and practice of cooperation

Gender issues in cooperatives and group businesses

Upgradation of technical skills

Design, product development and packaging

Costing and pricing of products

Financial management

Marketing management

Business management

Institutional linkages

Objectives of the training kit

The major objective of the kit is to provide a tool for enhancing the viability and sustainability of rural women's cooperative businesses by helping build their capacities to manage, promote, expand and diversify their businesses.

The kit can be used by CPD staff to help transform the rural women's groups into vibrant cooperative businesses. The aim is to assist:

- the CPD to move from being a provider of finance and support, to becoming a facilitator; its staff to be catalysts for promoting entrepreneurship by rural women instead of being hand-holders;
- rural women's groups to move from dependence to self-reliance and from being small income generating groups to vibrant cooperative businesses.

The training kit also offers a tool for initiating a women farmer demand-led process for identification and delivery of production support services. It will enable rural women's cooperative groups to understand their businesses better, articulate their needs, be business rather than grant-oriented and improve their businesses. This, in turn, will help improve CPD response to the enterprise support needs of the women's groups and cultivate entrepreneurial promotion attitudes among CPD staff.

Key elements of the training kit

1. *Attention to attitudinal change:* The entrepreneurial attitude is the key to starting and sustaining enterprises. This attitude needs to be instilled in both women's group members as well as facilitators.

2. *Attention to gender relations:* This is a neglected subject with a lack of gender-disaggregated data on cooperatives, particularly on membership, management and leadership. In general, both women and men are reluctant to challenge the positions of men in top leadership positions. A note and a handout offer guidance on steering discussion on the subject.
3. *Attention to the Thai cultural context:* The ways in which Thai women and trainers learn best have been taken into account while designing the methodology and training material.
4. *Focus on four rural enterprise sectors:* The sectors have been chosen from those with a greater concentration of women's groups and those selected for the government's *One Tambon, One Product* scheme. A regional balance has also been attempted in the selection of the sectors. The following sectors and regions have been selected:
 - Food: all regions
 - Textiles: northeast Thailand
 - Handicrafts: north and central Thailand
 - Wood: north and northeastern Thailand

How to use the kit

This training kit can be used for a single training programme of two to three weeks, on a half-day or full day schedule. However, this is by no means the only way it can be used.

It is good to cover all sections in the training kit over a one-month or year-long period to impart basic enterprise training to the women so they can take care of the management and growth of their own businesses.

The training modules

1. Introduction to the programme/objectives sharing
2. Concept of business
3. Gender issues in cooperative women's group businesses
4. Costing & pricing
5. Bookkeeping and financial statements
6. Marketing
7. Savings, risk management and use of profits
8. Business plan
9. Leadership and team work
10. Networking
11. Monitoring and evaluation of businesses
12. Evaluation of training
13. Sector case studies

Flexibility in use

The kit offers flexibility in:

- topics to be taught
- time duration of the programme
- methodology and material used

Each section is divided into several sessions. Trainers can pick up sessions that are most suited to the needs of their trainees. For instance, they may choose a three-day training programme with one day devoted to cooperative principles, another to marketing and a third to bookkeeping. Or they may choose a three-day programme on marketing alone and follow it up with a three-day programme on bookkeeping. The training material on each topic can be adapted for in-depth and longer duration training or for short duration training.

Sometimes, trainees who are already in business cannot participate all day in the training. For instance, those engaged in dairying must take care of cattle early in the morning and then in the afternoon. Trainers should design flexible sessions suited to the trainees' needs.

The kit includes four different handout sets, along with case studies covering the four sectors. The case studies can be used for sector-specific training programmes. The kit can also be used to train participants from more than one sector by using case studies from each sector.

Selecting the training modules

The trainees must go through the entire set of skills and attitudes training for a good understanding of rural cooperative business. Groups already established in business may only want to learn about bookkeeping and marketing and may not see the need for learning about business ideas generation.

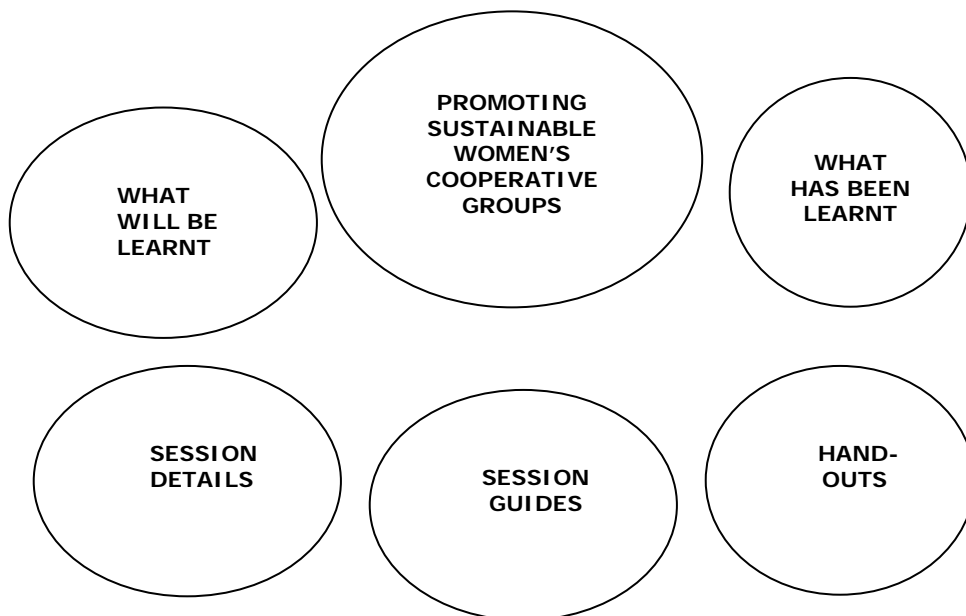
However, such groups may reach a stage when the future potential of their product range is limited and they find it necessary to look for a new business. If they do not have skills in generating business ideas, they will have to seek outside help. The skills for business ideas generation must, therefore, be acquired by all rural women's cooperative enterprises and not only by those in the start-up stages.

The logic for acquiring most other entrepreneurial skills is similar. It is better to provide members of a rural women's cooperative enterprise with advance training in these skills rather than wait for a time when these are needed for solving a specific problem.

Each module has three elements. The first introduces the module, informing trainers/participants what will be learnt in that module. The number of sessions and estimated time are also given at the beginning of each module.

This is followed by a description of the sessions, a session guide and the material/handouts needed for each session. Finally, a few pages summarize what has been learnt. This also serves as a checklist to evaluate whether participants have acquired the required level of learning.

The training modules in the kit include basic enterprise training for all rural women's cooperative groups. There may be need for additional training in technical subjects, like quality of production, technology, type of weaving, cost reduction, design, packaging, etc. The CPD uses its guest faculty for teaching these subjects to groups. This makes it possible to bring the best and most appropriate technology and design expertise to train the women's groups. However, attention to the following aspects will make guest faculty training more efficient and effective:



- The guest faculty should be used only for technical subjects; the CPD should build internal expertise for basic enterprise training; the training modules should be built into the CPD's annual training programmes.
- Guest faculty should be given a clear brief on the subject to be taught and the learning to be achieved at the end of the programme.
- It is often useful to give a clear brief on how to teach; external trainers should be supported in establishing a participatory learning process through answering questions raised by participants and checking whether the answers have been understood.
- Time limits must be set for the guest faculty as it is important to respect time constraints faced by rural women.

- As far as possible, there should be practical training and demonstration, involving women participants, and not just lectures and talks.
- Sometimes guest trainers can get carried away and give lectures, but these are not as effective as providing the women trainees an opportunity to practice and interact freely with the trainers.

Planning the training

Using own trainers

The strength of the CPD is its countrywide network of training facilities at the provincial level. It is better for the CPD as well as CLT to develop in-house training capacities. External trainers are often not aware of the developments in rural women's cooperative groups and may not know how to teach the subject in a manner suited to the needs of the latter.

Selecting enterprise trainers

Experience
Attitude
Good business skills
Gender
Motivated
Networked

Selecting the trainers

Rural enterprise training needs not only experience but also an attitude emphasizing self-reliance rather than dependence. Trainers must have good business skills themselves and it is useful if some of them have established or managed businesses. Officers with spouses in business often make good enterprise trainers. The trainers must be motivated for capacity-building; they also need good contacts with other support agencies so that they can refer the trainees to specialist services needed by rural women entrepreneurs. Finally, it is important that there are as many women as men in the trainer group. Women trainers serve as role models and are better able to inspire women trainees.

Training of trainers

It is necessary to have regular training of trainers (TOT) programmes so that a large number of trainers for training rural women's cooperative groups are available. Regular TOTs will also ensure that when trainers are transferred across regions, others will be available to continue the training.

Participatory training should be an essential element of the TOT programmes. Participatory training techniques are the main characteristic of the training kit and have been found useful by the participants.

Preparation for training

It is important to ensure that the trainers have enough time for the planning, preparation and conduct of the training. The Directors of the CPD regional

training centres must give priority to the training of the women's groups and provide them with the time and budgets required.

A seating arrangement that is U shaped is recommended for the training instead of the traditional, classroom-seating as this facilitates participation by all trainees.

Selecting the trainees

Although the training modules are meant for all members of rural women's cooperative groups it may not be possible to train all members at the same time. In such cases, specific modules can be used with group members responsible for those tasks.

The selection of the trainees is critical to the success of the training. The modules must also be selected according to the needs of prospective participants. The trainers must spend time with the participants, analysing their needs before inviting them for the training.

Moreover, the participants must be grouped on the basis of training needs. For instance, if the training is in accounts, group members responsible for accounts must be invited. Different members of a group must be invited as participants to the training programmes. When only group leaders attend each training programme, the impact is limited. Group capacity-building is more effective when different members of the group are trained in rotation.

The priority target members for the modules are listed in table below:

Module	Priority for participating members
Introduction and objectives sharing	All members, group leaders, local leaders and leaders/managers of parent cooperatives
Understanding women's group businesses	All members, leaders
Gender issues in group businesses	All members
Costing and pricing	Members in charge of accounts, marketing, leaders
Book keeping and financial statements	All members, especially the accounts writer and the leader
Marketing	All members, especially the marketing in-charge and the leader
Savings, risk management and use of profits	All members, especially committee members
Business plan	All members
Leadership and team work	All members, leaders
Networking	All members, leaders, public relations in charge, marketing in charge
Monitoring and evaluation of businesses	All members, especially committee members

Module 1

INTRODUCTION AND OBJECTIVES SHARING

A well-organized inaugural and introductory session is important for building rapport among the participants and the trainers and reinforcing the goals of the training.

What you will learn in this module

- making people comfortable with one another
- creating a good atmosphere for training
- enabling participants to learn about themselves
- enabling participants to gain useful information
- about one another e.g. skills, experience and strengths
- sharing objectives
- discussing objectives, the session schedule, methodology and agreeing on these

SESSION PLAN

Session 1	Programme inauguration	30 to 45 min
Session 2	Introduction of participants	45 min to 1 hour
Session 3	Sharing objectives	45 min to 1 hour

SESSION 1: *Inauguration of programme*

- Invite a senior government or provincial official who has been associated with rural women's group businesses to be the chief guest.
- Have the chief guest light a candle or lamp, as appropriate.
- Start with an inspirational chant or song. Create a solemn atmosphere through reiteration of the cooperative spirit.
- Ask the chief guest to say a few words about the importance of the training and how rural women can use it. Make sure that the guest is prepared with a short speech.
- Have another person thank the guest, say a few words about the objectives of the workshop and then welcome the participants.

SESSION 2: *Introduction of participants*

- This session recommends a particular way of introducing participants to one another. Any other appropriate method may be used, provided the participants enjoy themselves, gain some useful information about one another and remember one another in future.
- Make the participants stand in two circles facing each other.
- Tell them to move and stop with the music that will be played for this game. They may infer, or you can point out, that their partners will keep on changing.
- Each circle moves clockwise when the music is played.
- When the music stops, each participant pairs with the one opposite her, asks the other's name, address and something about the women's groups she has known or belongs to.
- Start the music again. When the music stops, participants form new pairs and ask each other the same questions.
- It takes ten minutes to complete one round. Organize a maximum of three rounds.
- Ask the participants to sit down after two or three rounds.
- Participants are now invited to introduce anyone but themselves. In this way, each participant introduces another. Some people may be introduced twice.
- Make sure that all participants are introduced.
- It is good if the trainer/s joins the group activity.
- If the trainer does not play the game, then at the end s/he must introduce herself/himself too. Joining the participants in the game or singing with them establishes quick rapport between trainer and trainees.

SESSION 3: *Sharing objectives*

- Give two to three cards to each participant. The trainers must have cards prepared for each objective of the workshop and the topics to be covered.
- Ask the participants to write the objective of and their expectation from the workshop, one on each card. Give them time and ask them to write without consulting anyone.
- Ask each participant to read out from her card and then to pin them on the board. Organize this according to the topics to be covered. Keep one column for cards which state objectives that will not be met during the workshop.
- When all participants have pinned up their cards, trainers must place their own cards in key places to show which objectives will be met.
- It is important to point to the topics that participants want to learn about, but which may not be part of the workshop. Tell them that this will be done in a subsequent workshop if possible.
- Inform participants about the workshop schedule. Ensure that this is acceptable to all participants, especially if the hours of instruction are longer than the time participants have committed themselves to.
- Ensure that all participants agree with the schedule and all the objectives. Make any changes that are necessary at this stage.
- While it is a good idea to make changes to accommodate as many needs of the participants as possible, it is not a good idea to deviate too much from the original plan. The original plan has presumably been developed on the basis of a training needs analysis with a lot of preparatory work. There are two disadvantages of too much deviation from the original plan: first, the preparatory work is wasted and then there is inadequate preparation for the new topics. Make major changes to the initial training plan only if it does not meet the objectives of the participants at all.

What you have learnt in this module

- Introducing participants through games helps them to open up to each other and to build up rapport between the participants and facilitators during the workshop.
- Sharing of the objectives and expectations of the participants helps to match their expectations with the workshop topics. This makes it possible at the very start of the workshop to change topics according to the needs of the participants.

Module 2

UNDERSTANDING WOMEN'S COOPERATIVE BUSINESSES

What you will learn in this module

- Meaning of business and types of business
- Identifying performance indicators of successful women's cooperative businesses
- Understanding a business through the MAIR (motivation; ability; idea resources) model.¹
- Understanding women's cooperative businesses

SESSION PLAN

Session 1	Definition & classification of business	45 min
Session 2	Understand business through the MAIR model	2 hours
Session 3	Indicators of successful women's cooperative businesses	2 hours
Session 4	Understand women's cooperative businesses	1 hour 30 min

¹ Source: Kevin Kane and the staff of Tototo Home Industries, 1992

SESSION 1: *Definition and classification of business*

- You can start this session by asking the participants if any of them have started or run a business. Are these businesses successful and currently operational? Invite some of them to share their experiences of successful and unsuccessful businesses. Ask them why they started these businesses, and to explain what is meant by a business.
- As participants answer these questions, write key words like investment, profit, extra income, production, technology, wages, costs, etc. on the board. Some key words that participants may produce:
 - Activity
 - People
 - Money
 - Transfer
 - Exchange
 - Marketing
 - Management
 - Purchasing
 - Large quantity
 - Investment
 - Income *minus* Expenses = Profit
- Then, use the information handout on the concept of business to explain the meaning of business and types of business, using the given examples.

Handout 1: Definition and classification of business

A business involves making an investment or undertaking an activity (manufacturing and selling a product, providing service, etc.) with the aim of earning a profit. When the income is more than the expenditure, the business makes a profit. When the expenditure is greater than the income, it makes a loss. It is necessary to ensure that the cost or expenditure is less than the income i.e. sales money, for the business to be sustainable.

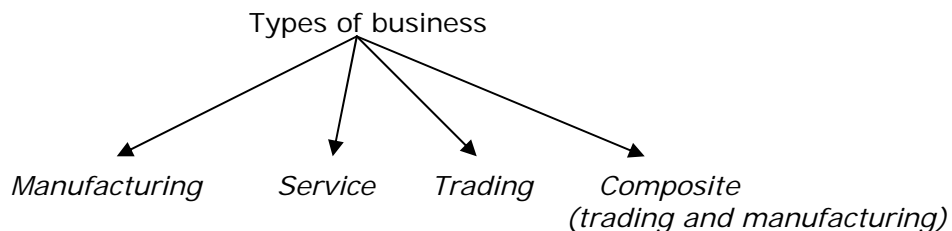
A business is classified into three types according to the nature of the activity:

Manufacturing: This involves the process of production. Examples: making baskets, woodcarvings, fish sauce, textile-weaving, etc.

Trading or selling: Trading businesses involve only selling. Examples: trading in clothes, readymade shirts, selling provisions, etc.

Service: This involves providing and charging users for services. Examples: a telephone booth, beauty parlour, traditional Thai massage, hairdresser, etc.

Group business: This involves one or more of the businesses classified above. Many groups are engaged in trading as well as manufacturing. Some groups make one product and trade in another. Example: a group making herbal sweets also sells items made from water hyacinth by another group.



SESSION 2: Understand business through the MAIR model

Ask if any of the participants has started or run a business. Then ask these participants to list examples of successful and unsuccessful businesses on the board under "successful" and "unsuccessful" business.

- Ask the participants giving the examples to list the factors in the success or failure of the business, noting key words and ideas on the board under each letter of the acronym MAIR. For instance, "had experience in the business" would be written under A (Ability and Experience). The chart below gives an idea of how this can be done. Don't explain the meaning of the acronym at this stage.
- After listing a few examples under each element of the MAIR model, explain participants the meaning of MAIR.

The MAIR model

M(otivation)

Willingness
Determination
Courage

I(dea with market)

Product is good
Demand for product

A(bility/experience)

Prior experience
Earlier learning
Knowledge of business management

R(esources)

Money	Labour
Electricity	Land
Power	Place
Information	Policy

- To explain the concept, depict the four MAIR factors as the four pillars of a rice house. Explain that like the four walls of the house, all four MAIR pillars are important. Ask the participants to discuss if a business can be successful in the absence of one of the MAIR pillars.
- Use the examples on the board to explain how a successful business must have all four MAIR elements while those that are unsuccessful have one or more elements missing.
- Use a simple method to pair the participants into groups of four or five people. Select some successful and some unsuccessful businesses from

among the examples listed on the board and ask the groups to analyse the success or failure of these businesses using the MAIR model. The key person in each group must know about the business being discussed by that group.

Successful business:
Sweets from fruit

Unsuccessful business:
Sugar palm sweets

Successful business:
Sal paper products

Unsuccessful business:
Crispy pork

- The analysis should ideally be carried out using the participants' business experience. In case the participants do not have this or if this is not suitable, then the *sal* paper manufacture case study in the information handout may be used as an example of a successful business and the sugar palm sweets case study as an example of an unsuccessful business.
- Ask each group to develop a role-play on the business they have discussed and present the role-play to the plenary meeting of all the groups.
- The role-play must reflect the strengths of the successful business and weaknesses of the unsuccessful business. For instance, an analysis of the case study on *sal* paper shows that:
 - The business is successful with all four MAIR elements.
 - The business group also has long-term strategies both at the management and production levels. The group has demonstrated its motivation through innovative methods of obtaining the raw material from different sources.

- The analysis of the unsuccessful business (sugar palm sweets) reveals that:
 - The women's business group had only two MAIR business elements: a marketable idea and the ability and experience to make the product; they neither had the motivation and determination nor enough raw material.
 - Even though the women had the production ability and experience, they could not market their product by convincing their customers about the raw material they were using (sugar palm).

Handout 1: Elements of business

The following four basic elements are required for a business as described by the MAIR model:

- **M**otivation and determination
- **A**bility and experience
- **I**dea with market
- **R**esources needed and their availability

The MAIR model can be depicted as a rice house with each pillar representing a particular business aspect

If any of the pillars were to break, the house would fall. Likewise, all the four aspects described above have to be carefully explored and understood before an idea can take shape into a business.

The MAIR model can be used by the entrepreneur to assess a business before starting it or at any stage thereafter, using the questions given below:

Motivation and determination

- What is the primary motivation for the entrepreneur group to start a business?
- Did the group make any effort to start a business before this?
- Do the group members have family support to start this business?

Ability and experience

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

Idea with market

- What is the product or service that the group will sell?
- Who are the customers?
- What customer need does it meet?
- Is the product developed, tested if necessary, and does it meet the specified standards? Is it ready for the customers?
- What quantity of the product will be produced and sold?
- Is it known if the customers will buy it? Has a market survey been conducted, even if informal?
- Why will customers prefer this product/service to that supplied by competitors?

Resources needed and their availability

Physical requirements

- What is the minimum scale of production for starting the business?
- Will that production level ensure enough income for group members?
- What resources are needed for this? For example, spell out the need for:
 - Premises
 - Machinery
 - Equipment
 - Stock of raw material
 - Employees that the group may need
- Does the group have any other special training needs and resources to pay for additional training on packaging or for design development?

Financial requirements

- What are the cash needs for the first year?
- 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?
- Utilization of resources?
- Efficiency?

- Wastage?
- Quality maintenance factors

The MAIR model of understanding business

The MAIR model must take into account two additional factors, namely organizational management and business planning, for the activity to be successful.

Organizational management

All legal and organizational requirements must be understood and addressed before starting a business. The following checklist will be useful:

- Most grassroots women's groups are informal and unregistered. However in order to qualify for government (CPD) support, they have to become members of registered co-operatives.
- Are there any other legal requirements to be met? Such as registrations, food quality marks, etc.
- Will the business need an accountant?
- What record keeping systems will be used?
- Is insurance needed and has it been arranged?

Business planning

A business plan must be prepared at the initial stage of starting an enterprise. We do this in our day-to-day lives. For example, before buying a two-wheeler worth 20 000 Baht, one would plan in advance which model to buy, depending upon the budget or money available.

When large amounts of money are involved, and the success of a business is at stake, it is definitely worthwhile investing time in business planning. Preparing a business plan is the most important step before starting any enterprise.

Handout 2: Analysis of case studies using MAIR model

Case study 1: *Sal paper manufacture*

The Ban Chumpol Women's Cooperative Group, set up in 1999 in Phitsanulok province has 32 active members who are skilled in making *sal* paper items. Initially, the women sold only in local markets, but with assistance provided by the CPD, they were later able to market their production in Bangkok and other provinces.

They use raw material from the *sal* tree. However, in anticipation of greater demand in future, the women are exploring how to use raw material from the banana tree, which is available in abundance.

In the early stages, the group lacked management and accountancy skills, but acquired these after being trained by the CPD. Now, they manage business production and accounts competently, earning profits of about 120 000 Baht in 2002. As a long-term strategy, the group wants to grow the *sal* trees themselves in order to ensure a timely supply of raw material at competitive rates. The women also plan to use their profits to buy machinery to increase production and, thereby, their income.

One of their business strengths is that their production is made fully with environment-friendly *sal*. This has enabled the women's group to sell their products not only in Thailand but also to export to the United States, Philippines and Japan where such products are highly valued.

Analyse the case using the MAIR model and elaborate the reasons for its success/failure.

Case study 2: *Sweets made with sugar palm*

This women's cooperative group started with 100 members making black and white coloured sweets from sugar palm. They learnt the skill from their family members.

Initially, the women were able to sell whatever they produced in the local market. But later, customers were unwilling to pay the price charged because they thought the sweets were made with sugar cane and not with

sugar palm. Lacking a quality certificate from the government, the group was unable to convince customers that they were making quality sweets with sugar palm. As a result, their sales fell, stocks piled up and the group found itself without any working capital.

The group now has only 19 members. Obtaining sugar palm is also a problem because of its seasonal availability and price fluctuation. Sugar palm is in great demand for making alcohol. Realizing that the business was not profitable, most members of the group lost interest and dropped out which, in turn, further reduced production and quality.

Analyse the reasons for failure.

Case study 3: Determination and motivation revive a failing business

Somjit Songchona is the leader of the 10-year old Nangao Co-operative Women's Group. At the time of its inception, the chairperson declared she would make a personal donation and obtain a grant from the government. This motivated the women to join.

Beginning with 30 women, the group had to start with a manufacturing activity in order to qualify for the grant. They chose to make fruit-based sweets using different fruits, especially mangoes. The business idea was selected because mangoes were available in bulk and quite cheap in season. The chairperson's donation of about 100 000 Baht was used to construct a work shed.

The group wanted to process the mangoes to add value and make a profit, but did not know how to do this. Moreover, the women had no business experience.

Trained by a government officer to make a delicacy, locally known as 'fruit in syrup', the women's group made a first lot of 80 kg of this sweet. The volume was small enough to be sold fully within their village and give the group a profit. This motivated them to put together more capital and produce a larger volume of about three tonnes.

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

However, failure in following the production process properly spoilt about three tonnes of the product during manufacture. The women lost a lot of money and also the motivation and interest to continue in the business. As a result, 20 women dropped out. The government officer who had trained the group could not find the reason for the product being spoiled.

The leader of the group then visited another group making the same product where she learned that the porcelain jars used by them should be replaced with plastic jars treated with chemicals. On her return, the leader replaced the thirty porcelain jars with plastic jars at an extra investment of 30 000 Baht at 3 000 Baht per jar. The leader had to make a personal investment in this because the members were not interested in spending any more in the business. She did this without informing her family members because she was scared they would not let her put more money in a losing business.

The business then slowly started recovering and showing profits. The group leader later had the opportunity to attend a seven-day training programme on making fruit sweets at the Agricultural University. This helped to improve the quality and packaging of the group's product. Gaining confidence about the quality of their product, the group were able to extend their sales both within and beyond the province. They have now become a model for other groups who visit them to learn production and marketing techniques.

When asked what made her try again and again and eventually be successful, the group leader replied that she personally felt committed to the activity and did not want to abandon it without trying to achieve positive results. She also felt obliged to make good use of the money donated by the chairperson because it was given with good intentions and expectations.

Analyse the case study and write down what you have learned.

SESSION 3: *Indicators of successful women's cooperative businesses*

- Ask participants to name the businesses they belong to. Do they consider these to be successful or not?
- Continue asking them questions to obtain more answers.
- Write key words from their answers on the board, preferably in the *six sets as given in the accompanying handout*. For instance, list the factors related to business success in one set and those relating to group discipline in another.
- Try and obtain from the participants some factors under all the six categories.
- Participants may tell the stories of their groups as a process of identifying these factors. Encourage this as it gives practical examples of each indicator.
- Initiate a discussion on the handout after several examples have been given.
- Form smaller groups from among the participants for discussion. For example, if there are 20 participants, make them form groups of four to have five smaller groups. Then, working with groups, identify five businesses that can be discussed as successful and unsuccessful.
- Each group discusses a business situation for about 15 minutes and then takes 30 minutes to analyse it on the basis of the success indicators. Participants can add more indicators if they feel the need.
- Have each group present its analysis in the plenary session. A full group discussion can help them identify their weaknesses and these can be worked upon at a later stage.

Handout 1: *Indicators of successful women's cooperative business*

Business

A group's business success may be assessed using 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 past three to five years. Sustained growth is an important indicator of the success of a business. If the business has remained static and not grown in any way, there is a chance that it is losing out in the market and needs to be examined carefully.

Cooperative business management

The first and foremost indicator of a successful cooperative business is a common purpose. To assess this, it is important to check if group is able to clearly articulate its vision. These should include clear statements of product/service and the business strategy. It is useful to see whether the group has used the tool of business planning. If this has been used, then it is easy to carry out periodical monitoring and adjustments as necessary. Thus clear articulation of vision and use of business planning are important indicators for assessing a group's success.

In a women's cooperative group business, the nature of cooperation is the key to its success. It is important to maintain regularity of group procedures (meetings, attendance at meetings, compliance with rules and regulations).

It is even more important to see whether the following criteria are fulfilling or not:

- Cooperation among group members
- Sharing of work and responsibility
- Sharing of information
- Maintenance of books/accounts
- Sharing of accounts/information with members (transparency)
- Team spirit: interaction among group members with common purpose
- Business, group management and networking ability in leader

Social factors

Family and community support directly 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 be a drain on the group's finances. It is important for the group to give priority to the need for investing in business expansion.

Networking

A group that has good contacts with other women's groups, government officers and local business, finds it easier to sustain and enlarge its business. A group with the ability to form partnerships for marketing, product information, technologies etc. is in a better position to develop its business.

SESSION 4: *Understanding women's cooperative businesses*

- There is a big difference between an individual and group business. A group business in the cooperative sector is expected to run on cooperative principles.
- Ask the participants to explain the differences between individual and group businesses. Write down key points on the board.
- Ask them how their own groups were formed. Explain that many women's group businesses have been started through government initiatives. It may be useful to learn about the principles of cooperatives and the ground realities from a case study.
- Divide the participants into groups. Give them the handouts on cooperative principles and the case study. Let them read both and discuss whether the case study shows an application of cooperative principles.

Handout 1: Definition, values and principles of cooperatives

Definition of a cooperative

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Cooperative values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

The principles of cooperatives

Voluntary and open membership

Cooperatives are voluntary organizations open to all persons, aiming at maximizing the participation of members in their services with a clear understanding about the responsibilities of its membership in cooperative development without gender, social, racial, political or religious discrimination.

Democratic member control

Cooperatives are democratic organizations controlled by their members who participate actively in setting policies and making decisions. The men and women who serve as elected representatives are accountable to the other members. In primary cooperatives, members have equal voting rights (one member, one vote). Cooperatives at other levels are also organized democratically.

Economic participation of members

Members contribute equitably to, and democratically control, the capital of their cooperative. They usually receive limited compensation, if any, on capital as a condition of membership. Members allocate surpluses for any

or all of the following purposes: developing their cooperatives, benefiting members in proportion to their transactions with the cooperative and supporting other activities approved by the membership.

Autonomy and independence

Cooperatives are autonomous self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Education, training and information

Cooperatives provide education and training for their members, elected representatives, managers and employees, so they can contribute effectively to the development of their cooperative. They also inform the general public, particularly opinion leaders about the nature and benefits of cooperation.

Cooperation among cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Concern for cooperatives

Cooperatives work for the sustainable development of their communities through policies approved by their members.

Source: FAO, 1998, *A manual for trainers on agricultural cooperative development (pages. 5 & 6)*. Rome, Food and Agriculture Organization of the United Nations.

Handout 2: Case study of a women's cooperative business

The Khao Yoi Cooperative Women's Group in Petchburi makes rice noodles. It was registered with 25 other women by the wife of the chief district officer Mr Thor when she learned about a government scheme to provide 90 000 Baht to start-up cooperative women's groups.

Mrs Thor offered the group the use of a large, covered shed in the front of her house to make the noodles. The government grant was credited to the account of the group in the cooperative. Mrs. Thor spent 30 000 Baht to get a rice noodle machine and spent another 60 000 Baht to repair the roof of the shed so that the noodles would not get spoilt during packaging.

When a CPD officer visited the group, the machine was idle. Mrs. Thor informed the officer that there were no orders and that she called the women to make the noodles as and when she received orders. However, the orders are usually small and only seven to eight women are able to find work. The machine stays idle for many days at a time when there are no orders.

As the members of the cooperative group cannot find continuous employment, Mrs. Thor wishes to apply for another CPD grant to make banana chips. The government has offered to finance the purchase of a drier by the group, which Mrs Thor intends to place in her yard. She says that this will enable her to continue with her efforts to engage rural women in productive work.

Analyse the case study. Is this a good cooperative group business? What should this group do to improve its business? Is this group operated along cooperative lines?

Handout 3: Information on cooperative women's group businesses in the Thai context

Common activities of women's groups

When women come together to form a cooperative group business, they are able to provide many services to their members. Typically, a group provides the following services:

- sharing of building and office space
- sharing of material, machines and equipment
- loan services (through federations of cooperatives and government agencies)
- common sale of products
- education, training and skill improvement
- marketing and technical linkages

By working together in groups, women can not only collectively manage and gain from a business, they can also access several benefits and subsidies from government and other support agencies.

Group businesses are complex and often combine more than one of the activities listed below:

- savings
- credit
- purchase and sale of raw material
- sharing of machines for production
- storage of produce
- purchase and sale of finished product
- sharing of office space for stocking, marketing and administration
- sharing of skilled personnel for common support services, like accounting

Are these groups cooperative businesses?

These groups register themselves with cooperatives to get government assistance in the form of financial grants for buildings and equipment. They also get training and marketing support. However, they are still largely dependent on the government and need to grow into vibrant and independent group businesses. Often, the principles and practices of cooperatives are not understood in these groups to become viable cooperative businesses; nor do they acquire the characteristics of their parent cooperatives.

Therefore it is important to provide cooperative members education in combination with business planning and marketing to ensure that women's groups in the cooperative sector are well managed.

What you have learnt in this module

- When an investment is made or an activity is undertaken with the intention of earning a profit, it is called a business.
- There are three types of businesses (manufacturing, service and trading). Some of these may be composite businesses.
- The success of a business is measured with the help of multi-dimensional sets of indicators. These are classified as business, cooperation, social, impact and networking indicators.
- Cooperative women's groups should fully integrate the principles of cooperation.
- A business can be analysed using the MAIR model; this helps in identifying the strengths and weakness of the business, working on the weak areas and moving towards success.

Module 3

GENDER ISSUES IN WOMEN'S COOPERATIVE BUSINESSES

What you will learn in this module

- Concept of gender
- About gender issues in Thai society, and in cooperatives
- About gender issues in a women's group business
- About the goals of gender equity for women's cooperatives
- How to plan for initiating change

SESSION PLAN

Session 1	Understanding the concept of gender	1 hour
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Session 2	Gender issues in Thai society	1 hour
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Session 3	Gender issues in women's group businesses;	1 hour 30 min
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SESSION 1: *Understanding the concept of gender*

- Read the accompanying handout carefully. It is important that you understand the concept of gender and are comfortable with explaining it to others. If you have not done this exercise earlier, please carry out a mock session with some trainers and colleagues before the training programme.
- Give cards to the participants and ask them to write down characteristics they associate with women and men, one on each card. Let each participant make one or two such cards.
- Draw a vertical line on the board to form two columns, one for women and one for men.
- Ask participants to read out the gender characteristics from their cards and write these on the board under the category they belong to. (Long hair, trousers and shirts, responsible for family, give birth to children, father, mother are some items that may be on the board).
- Start the discussion by asking participants whether they agree with this classification.
- As participants give their opinions, they may point out characteristics that are common to both men and women.
- Start crossing out all such characteristics that both women and men can have. For instance, long hair, trousers and shirt, will get crossed off. What remains on the board are characteristics that relate to gender.
- Use the examples on the board to explain that gender is the term used to understand the socially and culturally determined differences between women and men.
- Use examples to explain how gender perceptions can change over a period of time and from one society to another.
- Participants may also provide examples of this.
- After the session has been conducted smoothly, there will usually be a lot of laughter and promotion of good feeling in the group.
- It is important that participants understand the concept of gender. It is not important that they agree with all the statements made by different

Module 3. Gender issues in women's cooperative businesses

participants about women and men. The trainer should be careful not to force people to change their beliefs and attitudes during this session. It is enough if they begin to understand the difference between sex and gender.

Handout 1: *Concept of gender*

Gender analysis

What is gender?

Most differences among women and men are created by society and relate to behavioural patterns, which are influenced by the different cultures of different societies. These are known as "gender" differences.

What is acceptable behaviour among women and men changes from time to time and from one place to another. Thus "gender" relations are determined socially and are different across cultures. Gender is, therefore, a lens through which to examine roles and responsibilities of women and men. It helps in analyzing the constraints faced by, opportunities for and the needs of women and men in any given context. Gender issues concern both women and men.

Gender analysis

Gender inequity results from a set of attitudes, beliefs and practices, which are barriers to equality between women and men. The position and condition of women must be analysed within a gender perspective in order to understand the issues that need to be addressed.

Beliefs about gender often cannot be challenged because of the lack of gender disaggregated data. This is why it is important to have a discussion on gender and conduct a gender analysis.

There is a popular saying in Thailand: "Man is the front foot of the elephant, while woman is the back one". This reflects a general view that women are secondary to men. Such beliefs hinder the demonstration of women's capabilities and their participation in public and social activities, including cooperatives. (Patrawat 1996, in CLT 2002). Such beliefs lead to women not recognizing their own capabilities.

A gender analysis includes the following aspects:

- The division of work between women and men, at work and at home.
- Equity in women and men's access to and control over resources.
- Distribution of business benefits/activities between women and men.
- The needs of women and men.
- Development opportunities available to women and men (education and health facilities, vocational training, job opportunities, etc.).
- The constraints that women and men face in gaining access to these opportunities and benefits (Gender biases are often institutionalized: for instance, reluctance to employ women production managers in factories on the ground that sometimes managers have to work on night shifts).

In the context of cooperatives, it is also important to examine whether such groups promote equality between women and men in employment, participation in management and in the distribution of the benefits.

SESSION 2: *Gender issues in Thai society*

- Read the handout carefully. It is important for you to know which statements in the handout you agree or disagree with.
- Ask participants to state their opinion on the place of Thai women in the family and in the workplace, and as leaders in different for such as cooperatives, *tambon* and province.
- Organize a discussion on the situation of Thai women in the family and their access to education and jobs. Discuss their position at work and the pressures they face. Talk about their access to senior positions in the workplace and to organizational leadership as well as the factors that limit their representation in senior positions.
- Allow participants to share their experiences and opinions freely.
- Ask participants to provide facts to substantiate their opinions. Offer another view that helps them to see how perceptions can differ from facts, and how little data there is to know and interpret what the facts are.
- List some gender-related issues on which positive support can be provided by the participants, and ask them to generate discussion among group members.
- The intention of this session is not to produce agreement among people, but to stimulate discussion and help participants to articulate their experiences, opinions, constraints and even biases. Encourage them to generate similar discussions in order to sift facts from perception, collect information and analyse it for a better understanding of gender issues by members of women's groups.

Handout 1: Gender issues in Thailand

Women in Thailand

It is the general belief in Thailand as well as in the Cooperative Promotion Department that Thai women occupy a good position in society and that gender imbalances are not vast. While this is true to a great extent, there is also much evidence of gender bias.

Education and health

- Women taking vocational education courses are more likely to select subjects related to traditional roles such as home economics and commerce. Men generally choose agricultural and industrial subjects.
- Women's entrance to medical colleges is limited by a quota restriction of 50 percent, despite the fact that the national ratio of female to male doctors is 1:3.
- Men have a higher admission quota in forestry, veterinary services and animal husbandry educational institutions. (UNDP and UNIFEM 2000).
- The number of divorces increased 12 times between 1960 and 1990 with one-third being in the Bangkok area. Four out of five divorced women bring up their children without support from former husbands. (UNDP and UNIFEM 2000).

Women and leadership

The general belief and perception regarding women in leadership roles in Thailand is at variance with the facts. Women were given equal voting rights in 1933. However, there were just 22 women members in national parliament in 1998 – 5.6 percent of the total. The percentage of women members of the Senate in 1996 was slightly higher at 8.1 percent. In the same year, women held only 2.4 percent of positions in local village-level administration and comprised just 1.9 percent of sub-district heads.

Although women outnumber men in government service, the majority are in the lower ranks of the bureaucracy. Women's representation at the top three levels of government service (C9 to C11), drops from 21 percent in C9 to 11 percent in C10 and 6 percent in C11. (UNDP and UNIFEM 2000).

Substantial changes were made by the Local Administration Act in 1982 allowing women to become village and sub-district heads. However, women held only 1.9 percent of these posts in 1996.

Women's leadership in agricultural cooperatives is largely confined to the primary level; more men hold senior management and leadership positions in cooperative federations and apex cooperative organizations.

The level of women's participation in village council meetings is also low, perhaps because the meetings usually continue till late into the night and are held outside the village. The 1994 Sub-district Council and Sub-district Administrative Organization Act, providing for the election of

The fact is that women have lower representation than men in leadership and senior government positions. However, the widely prevalent perception, among both women and men in Thailand is that there are no barriers to women reaching leadership positions.

sub-district administrative officials, offers the possibility of more women competing for these posts through the electoral process (UNDP and UNIFEM 2000).

The Regional Conference on Women in Decision-Making in Cooperatives, organized in 1997 in the Philippines, outlined six strategies to enable women to have a greater say in decision-making in cooperatives:

- instituting gender-sensitive cooperative laws, by-laws and policies to increase their membership of cooperatives and participation in decision-making;
- promotion of transformation leadership to enhance gender equality in cooperative development;

- building women's capacity for leadership and decision-making in cooperatives;
- developing, promoting and implementing a gender-disaggregated data collection and utilization system for cooperatives;
- creating an enabling environment for improving women's participation in leadership and decision-making in cooperatives;
- establishing a Leadership Development Fund for Women in Cooperatives, to be used for carrying out the actions outlined in the Platform of Action drawn up by the Conference.

Women in cooperatives: lack of gender-disaggregated data

However, as there is limited gender-disaggregated data about the cooperative sector, it is not possible to assess the development trends in women's leadership in the primary cooperatives, provincial and national federations and apex organizations.

Some Thai women group members said that the men see them as 'mother'. This results in the men giving them the right to financial decision-making, as they associate this right with their mothers.

There is a lack of gender-disaggregated data on cooperative membership regarding:

- cooperative chairpersons
- members of cooperative committees
- cooperative staff in managerial, secretarial or administrative positions
- elections – their regularity/women and men contestants
-

It is necessary to examine the constraints to more women becoming members of agricultural cooperatives. For example, when only one member per family is permitted, men usually represent the family in an agricultural, land settlement or other cooperatives.

It is important to analyse the role and position of women and men in agricultural cooperatives to ensure an equitable distribution of the benefits of cooperative development. Asian cooperatives are influenced by traditional patriarchal cultures and there is evidence of a gender bias in their membership and leadership. One of the basic principles of cooperatives is the elimination of all forms of discrimination, including that based on gender. It is, therefore, necessary to work for greater gender equity in Asian cooperatives (CLT 2002).

Need for affirmative action

Affirmative action is needed for gender equity in Asian agricultural cooperatives.

A start must be made by identifying women's needs in the workplace by answering questions such as: are there sufficient day care facilities for children?

Women require access to production services and the issues here are related to:

- training programmes and participation of women and men
- access to credit for women, purpose- wise classification of loans by gender, and criteria used for disbursing credit
-

It is necessary that requisite facilities are made available to women so that they may develop their potential and participate fully in their work.

SESSION 3: *Gender issues in women's cooperative businesses*

- Divide the participants into groups.
- Let each group read and discuss the issues outlined in the handout.
- Let them consider if these issues are relevant to their groups.
- Ask the participants if they:
 - divide and share their work, or depend on a strong leader to take charge of most group activities
 - pay for the key jobs to be performed in the group
 - discuss alternative ways of using surpluses or accept decisions made by some group members
 - provide sufficient day care and other facilities for children so that members with small children can continue to work
 - provide opportunities for the women to discuss their concerns in the group, enabling them to articulate and solve some gender-related constraints
- The objective of the session is to create awareness about the potential of groups as a forum for the economic empowerment of women by developing their business skills. Groups also promote social empowerment by enabling women to assume leadership roles, thereby enhancing their ability to make a positive difference.

Handout 1: *Gender issues in women's cooperative businesses*

Gender issues in women's group businesses

There are several gender-related issues regarding a women's group business. Many leaders of women's group businesses are the wives of prominent leaders, cooperatives officers and village administrators. They enjoy several advantages by virtue of their social position. Such women's groups tend to show the characteristics of employer-employee organizations rather than those of cooperatives. This undermines the basic cooperative principle that the groups are expected to have.

Another aspect relates to how women use the group's income surplus. In most cases, women's group businesses are set up in response to government-initiated support schemes and tend to become dependent on government grants. Indeed, in such cases the groups are often formed only to avail of the grant. When these groups make a surplus, in many cases, instead of reinvesting in business expansion, they tend to donate it to the local community, for example, by instituting a scholarship. This creates continued dependence on government grants. One of the reasons for this is that as a local "women's group" in the area, the members feel 'obliged' to contribute to society. They do not realize that economic strength arising from successful business expansion would enable them to do much more for their community.

A third aspect relevant to a women's group business is unpaid work. Women expect each other to volunteer time for group tasks without a financial remuneration. They, therefore, do not allocate funds for essential group tasks, expecting unpaid work from members. This has two implications: there is an adverse effect on work quality and time taken, and volunteers have to spend unpaid time in the groups.

These practices have their foundation in gender conditioning. It is necessary to discuss some of these issues at the group level. If the

trainers can facilitate such discussions, they will be able to initiate some change, instead of just accepting the status quo as a benign situation.

Need for attention to gender equity

It is important to emphasize the need to challenge the current perception of women and men having equal access to opportunities, resources and leadership positions.

The session opens up several issues that women do not normally talk about. Thus, when women from southern Thailand told of constraints they faced because of their ethnicity or religion, women from other ethnic backgrounds wanted to know why the former accepted these restrictions. Such a process of sharing enables women to start challenging existing practices that constrain them. They begin to realise that they do indeed have a right to question existing practice and to exercise their choice to be different. They begin to acquire the courage to face conflicts that can arise during such a process of change.

However, the general lack of data on gender disparities makes it difficult to challenge this perception.

The perceptions of these issues are different among women and men in the Cooperative Promotion Department and agricultural cooperatives. While women are aware of the prevalent gender bias in the attitudes of institutions, they do not articulate it publicly.

It is important to have continuing discussion on gender issues related to education, health and vocational training so that positive changes can be brought about. Women's leadership in cooperatives must be supported by greater networking among women in Thai society.

"Women only" groups provide an important base for building leadership qualities. Women's group enterprises have the potential to empower women economically and socially. This potential must be utilized fully by building women's capacities to improve their businesses, develop

leadership and make better choices for themselves within the family and the community.

There is a need to:

- enhance women's access to higher education, especially technical education;
- enhance their access to credit and training;
- enhance their access to leadership positions within cooperatives;
- improve women's business capacities so they have greater access to cash and other resources;
- help women's group businesses become vibrant cooperative businesses, and provide a protected space for nurturing women's business and leadership qualities.

What you have learnt in this module

- The difference between sex and gender.
- How gender differences arise and are perpetuated by a set of beliefs and attitudes.
- Gender biases in Thai society.
- Gender biases in cooperatives are less evident because of lack of gender-disaggregated data.
- Gender issues in a cooperative women's group business.
- Recognition of a women's group business as a forum for economic and social empowerment, and for the development of women's business and leadership skills.
- How to begin articulating and addressing gender biases.
- Enabling women to become better enterprise managers.
- Indicator: access and control over income.
- Economic empowerment, improvement in living conditions, practical needs met.
- Enabling women to have a larger social role, moving toward social empowerment.
- Enabling women to become leaders.
- Women gain confidence from successful and growing enterprises. Growing enterprises gain attention and social prominence for the women's groups running them, and can bring them into leadership roles in their *Tambons*, districts and provinces as well as at the national level.
- Groups play an important role in providing a comparatively protected and enriching environment for the growth of women's enterprise and leadership skills.

Module 4

COSTING AND PRICING

What you will learn in this module

- Understand the concepts of cost
- Understand the importance of pricing in business
- Learn different ways of pricing a product
- Apply the concepts to decision making

SESSION PLAN

Session 1	Costing: concept and practice	1 hour 30 min
Session 2	Pricing: concept and practice	2 hours

Session 1: Costing: concept and practice

- Rural women's cooperative groups often do not understand why they should calculate costs. It is important that they understand both the "why" and "how" of calculating costs.
- Read the handout carefully and work out all the examples before you begin to teach.
- Start the session with a discussion on the importance of calculating costs. Use the example given in the handout to emphasize the need for calculating costs. Proceed with teaching different cost concepts.
- Divide members into groups and give them the case study for calculation of costs and break-even points. Allot at least one hour for group work.
- Go around all the groups during the discussion and see that they are on track.
- Convene the groups in a plenary to check whether each group understood the concepts.
- If necessary, do the calculations yourself and explain to all participants.
- End the session by emphasizing the practical use of calculating costs as in the break-even analysis.

If the women understand break-even analysis, they will be able to know the level of sales at which they can cover all their costs and begin to earn a profit.

Handout 1: *costing concepts*

Why calculate costs?

A women's group was earning a profit of 10 000 Baht a month after paying all members for their labour. They were very happy and did not calculate the cost of production. Their product was in demand, and as long as this was so, they did not have to spend time on any calculation. Do you think this attitude is right? Is it necessary for this group to know the cost of production?

The calculation of costs is important, regardless of whether a group is doing well or not. It is only when women know how much each product costs, that they can price the product well. It is important to calculate costs, because it is possible to cut costs only by attending to details.

Women's groups often forget several elements of costing. They tend to underestimate their own labour and, therefore, the profits they calculate may be overstated. It is important that groups recognize the voluntary contributions by members. When women begin to analyse costs, they also look into the details of the process and are able to find ways in which work can be reorganized to reduce costs.

A major cost is that of raw material. For instance, in one group, each woman buys the vegetables to make herbal sweets at home and brings them to the group for sale. In another group, each woman purchases the cotton or silk raw material, weaves on her loom at home and brings the items to the group for sale. These groups can save costs if they buy the raw material together. A group that makes artificial flowers buys all their raw material (paper, glue, metal, colour) together. The simplest way to reduce cost of raw material is by making bulk purchases. This results in individual saving and also enables lower pricing of the product, making it more competitive in the market.

Thus calculation of costs helps in:

- determination of the costs of products and services sold by the group;
- control and reduction of costs;
- making decisions about pricing, volume of production and sales.

Basic concepts of costing

Costs can be classified into two broad categories:

VARIABLE COSTS

and

FIXED COSTS

VARIABLE COSTS, as the name suggests, vary according to the number of units produced. For instance, the raw material used in the production of each piece of handcraft constitutes direct cost. The bananas used in the production of banana chips, the fish used in the production of fish sauce are examples of variable costs. Raw material and labour are variable costs. Examples of other costs that vary with production level are electricity and water.

FIXED COSTS remain the same for a certain level of production. For instance, in hiring a hall with an area of 1 000 sq.feet, which can accommodate 20 looms, the same rent must be paid even if between 10 to 15 looms are operating. Therefore, women often develop strategies to spread their fixed costs. In this case, they could try to improve their market and production and install the maximum capacity of 20 looms so that their fixed costs would be optimised.

Fixed costs include rent, salaries, tools and equipment.

Break-even point

Break-even point is that level of production at which a business unit makes no profit and no loss. The level of production and sales at which the income covers all variable and fixed costs of the business is termed the break-even point.

With good planning, it is possible to reduce both variable and fixed costs. Calculating the break-even point also helps in decision-making on the level of production and sales prices. If fixed costs i.e. overheads are reduced, break-even point will be reached faster and the business will become profitable at a lower volume of production/sale. Similarly, when price is increased the break-even point is realized at a lower volume.

Handout 2: case study on costing and break-even point

The Duang Mo cooperative group of 30 women makes handicrafts from water hyacinth. Their most popular product, a basket, is a fast moving item that is in demand throughout the year.

The following information is available about the cost of production:

- members buy the processed raw material - water hyacinth fibre - from the group at 30 Baht per metre;
- 2.5 metre of the raw material is needed to make a basket;
- a skilled woman can make two baskets per day;
- each woman works for 20 days per month;
- the group's total production is 1 200 baskets (30 women, 20 days, 2 baskets per day);
- individual labour charge: 100 Baht per day;
- all the baskets made by the women are sold immediately;
- the group pays a monthly salary of 3 000 Baht each to an accountant and a marketing assistant;
- it pays 300 Baht and 150 Baht respectively as monthly electricity and water charges. The monthly telephone bill is 450 Baht while transport to Bangkok and the district town costs 900 Baht per month.

Tips for adaptation

This case study is on handicrafts. Examples of other products can be used depending upon the participants. The following products can be used for different credit sectors.

Wood: Wooden mobile stand

Food: Half-kilogram pack of preserved fruit.

Textile: One metre of cotton cloth.

The group costs the product as follows:

Raw material	75 Baht
Labour charges (half a day)	50 Baht
Overheads and administration	5 Baht
Total cost	130 Baht
The price that the group charges per basket is	150 Baht

The product is sold for 250 Baht in Bangkok. The margin kept by most dealers is 10 percent, but the dealer pays a unit price of 150 Baht to this group, as this is the price that they asked for. The group believes that it is making a good profit at this sales price.

Calculate the cost of production of each basket and decide whether the group is making a good profit and a good pricing decision.

Calculating the cost

<i>Variable cost of producing a basket in Baht</i>	
Raw material	75
Labour charges	50
Total variable cost	125

<i>Fixed costs of production of 1 200 units in Baht</i>	
Salary of the accountant	3 000
Salary of marketing assistant	3 000
Electricity	300
Water	150
Telephone	450
Transport	900
Total fixed costs	7 800
Fixed costs per basket	(7 800 divided by 1 200) = 6.5 Baht

Thus the total cost per basket is 131.5 Baht (i.e. variable cost plus fixed cost)

Q1. Has the group made a correct calculation of cost? Is the costing of overheads and administrative cost at 5 Baht accurate? Calculate the overhead cost of the group when the production level is 1 200 units. What is the price at which the group breaks even, if it makes 1 200 units?

Solution

NO. The group did not calculate the fixed costs and charged an ad hoc amount of 5 Baht. Their fixed costs are 6.5 Baht per unit. They should charge a unit price of at least 131.5 Baht to break even.

Q2. If the price is 150 Baht, what is the quantity at which the break-even point is achieved?

Solution

If price = 150

Then contribution to fixed cost = Price minus variable costs

$$= 150 - 125$$

$$= 25$$

How many baskets need to be sold to cover fixed costs of 7 800 Baht?

$$7\,800/25 = 312$$

When does the group break even, if the price is 150 Baht?

At break-even point, total revenue (TR) is equal to total cost (TC), thus

$$\text{TR} = \text{TC}$$

$$\text{TR} = \text{Price} \times \text{Quantity}$$

$$= 150 \times Q$$

$$\text{TC} = \text{Fixed cost} + \text{Variable cost}$$

$$= 7\,800 + 125 \times Q$$

Therefore,

$$150 \times Q = 7\,800 + 125 \times Q$$

or

$$(150 \times Q) - (125 \times Q) = 7\,800$$

$$\text{i.e. } 25 \times Q = 7\,800$$

Therefore

$$Q = 7\,800/25 = 312$$

Thus when the price is 150 Baht, break-even point is achieved at a quantity of 312 baskets.

Q3. If the price is 200 Baht, what is the quantity at which break-even is achieved?

Solution

If the price is increased to 200 Baht, the group will recover all its costs when it has sold only 104 baskets.

At break-even point, the total revenue should always be equal to total cost. Thus, if Q is number of baskets needed to be sold to recover total costs:

<i>Total Revenue (Baht)</i>	=	<i>Total cost (Baht)</i>
200 x Q	=	Variable cost + Fixed cost
200 x Q	=	125 x Q + 7 800 Baht
(200 x Q) – (125 x Q)	=	7 800
75 x Q	=	7 800
Therefore Q	=	7 800/75 = 104

The group can, in fact, charge the dealer a much higher price. As the dealer sells the product at 250 Baht and expects a normal commission of 20 percent, (s)he would be willing to pay a price of 200 Baht to the group. Thus the market can bear a price of 200 Baht, while the group is only able to realize a price of 150 Baht.

SESSION 2: Pricing: concept and practice

- Pricing is one of the most important decisions in a business. It is important that participants understand the simple concepts given in this session and are able to apply them.
- Start by asking them the meaning of profit and how they can make a profit. After some participants have answered, write the key words on the board.

$$\text{Profit} = \text{Total revenue} - \text{Total cost}$$

$$\text{Total Revenue} = \text{Price} \times \text{Number of products}$$

- Emphasize the fact that price fixation is an important decision in a business.
- Ask the women how they fix the price for their products. They may say that they put their mark up on the "cost plus". At this point, explain the first method of "cost plus" pricing as given in the handout.
- Explain to them the next method of 'Price that a customer can bear'.
- Tell them that they can deepen their understanding of pricing this way from the case study.
- Divide the participants into groups of four each and tell them to work on the case study. Talk with every group during their work.
- Convene the groups in a plenary after half an hour. When participants share their experiences during group work, ensure that all have understood the two ways of pricing.
- Emphasize that members must be aware of marketing prices to take good pricing decisions.

Handout 1: concept of pricing

The primary motivation in starting a business is to make a profit. This is also true of a rural women's cooperative group starting a business. If the group makes a profit, it is successful in business. Whether the group makes a profit or not depends on the pricing of the product/service sold.

Therefore, one of the most important decisions that the group must take is about the pricing of the product. In order to be able to do so, members must first know the cost of the product/service. They must also know at what price the customers will be ready to buy their product/service.

Profit can be calculated using the formula below.

$$\text{Profit} = \text{Total revenue} - \text{Total costs}$$

$$\text{Profit margin} = \frac{\text{Total revenue} - \text{Total costs of article}}{\text{Total revenue}}$$

$$\text{Percentage margin of profit} = \frac{\text{Sales price} - \text{Cost price}}{\text{Cost price}} \times 100$$

The price should be fixed such that it covers full costs, earns the group some profit and gives good value for money to the customers.

The following explains the concept of profit and the different ways of fixing prices.

Method 1: 'Cost Plus' pricing

The first method of fixing price, which is followed by many women's groups, is the 'cost plus' method. The women decide what profit margin they can add to the cost and fix the sales price. For instance, the cost of product is 150 Baht. They may decide to add a margin of 10 percent and fix the sales price at 165 Baht.

$$\text{Total costs} + \text{Profit margin} = \text{Sales price}$$

Method 2: **Pricing at 'What the market can bear'**

Another way of pricing is to price at *what the market can bear*.

Judging or understanding what the customer is willing to pay

+ profit margin

= sales price

Women must know the current sales price in the local market in order to calculate the price using this formula. Therefore, it is important that they know the prices prevailing in the local market. In fact, for good pricing decisions, they need to know the prices in urban markets as well.

Handout 2: case study on costing and pricing

The four-year-old Thumbole Mahardthai Women's Cooperative Group has 30 members and makes artificial flowers. The production cost of the flower made most by the group is calculated as follows:

- The raw material used is *sal* paper, glue, metal stick, etc.
- Five members make one type of flower
- Five members produce 40 flowers in a day
- Each person is paid 100 Baht per day

The cost of producing 40 flowers is given in the table below:

<i>Particulars</i>	<i>Cost in Baht</i>
Labour cost at 100 Baht per day per person for five persons	500
Raw material cost for 40 flowers	530
Overheads and administration (Transport, electricity, phone bill, depreciation, packaging etc.)	370
<i>Total cost</i>	<i>1 400</i>

Cost of one flower = $1\,400/40 = 35$ Baht

This 35 Baht includes

Labour cost	12.50 Baht
Raw material cost	13.25 Baht
Administration costs	9.25 Baht
Total	35 Baht
Profit of margin	115 Baht
Selling price	150 Baht

Especially important for women to remember

- Have you calculated and included the cost of your labour for production, management and marketing in the total cost of your product or service?
- Have you priced your time at the current market value? Are you using this calculation as a means of determining the final price of your product?

What you have learnt in this module

- Costing is important to ensure that all expenses are covered and the group fixes a price that ensures a profit.
- The first and most important step is to identify ALL the costs of a business: production, sales, administrative, overheads, etc.
- The next step is to classify costs into fixed and variable costs.
- Break-even analysis helps with decisions regarding pricing and production levels.
- Pricing can be done on the basis of 'Cost Plus' thinking and this ensures a minimum margin over costs.
- Market considerations are important in pricing and are taken into account by pricing at 'What the market can bear'.
- The price fixed lies within this range of possibilities. Therefore, it is important that groups calculate the costs and have an understanding of the final market for their products.
- If the group depends on intermediaries such as agents, middlemen or traders, the latter's costs and profits must also be taken into account.
- The services they provide include working capital advances, stocking, storage place, market information and linkages.
- Marketing linkages and contacts are important to bring the group closer to its final customers.
- Groups must assign at least two or three people for the marketing work so that they are constantly aware of the demand for their product, and its strengths and weaknesses.

Module 5

BOOKKEEPING AND FINANCIAL STATEMENTS

What you will learn in this module

- Understand the benefits of bookkeeping
- Basic books of accounts
- Basic financial statements (Profit and Loss accounts, Balance Sheet and Cash Flow statements)

SESSION PLAN

Session 1	Importance of bookkeeping and basic books of accounts	1 hour
Session 2	Profit and loss accounts,	4 hours 30 min

SESSION 1: *Importance of bookkeeping and basic books of accounts*

- Ask participants whether people who run small businesses keep regular accounts. Ask them if their own groups keep accounts.
- Start a discussion on why some businesses and groups do not maintain proper accounts. The following explanations may be given:
 - group members do not know the importance of bookkeeping
 - they do not know how to write the books
 - it is a difficult and complex job
 - they do not have the time to write the books
- Ask them why it is important to write the accounts. They may make one or more of the following points:
 - it is important because no one can remember all the details
 - to know whether the business is making a profit or a loss
 - to know whether the business will do better or worse
 - it provides basic information for planning future business
 - so that variable costs can be reduced if possible and the product sold at a viable price
 - because everyone must know the details of the business
- Bookkeeping is an important aid in the management of a group business.
- Members of a women's group business must understand the importance of keeping accounts and to maintain basic books of accounts as explained in the handouts.
- Organize a short plenary session (15 – 20 minutes) on basic books that the group should maintain.
- Divide participants into groups and ask them to: i) discuss the case study; ii) suggest the kind of accounts that should have been maintained.
- Tell them to read and discuss basic account books before the next session.

Handout 1: importance of bookkeeping

Most small businesses ask why they should maintain accounts when they already have a lot of work to do. Read the following case study in this context.

The Saket Women's Cooperative Group in Phitsanulok prepares and sells food outside a hospital every day. They have many customers, including relatives of patients. Some group members buy the vegetables and noodles and then make and serve the food. In the evening, they have enough money to take their wages and to make purchases for the next morning. The group runs a very successful business.

Now analyse the case study. Is it necessary for a small business to keep records? Many small businesses, especially those run by illiterate people, do not maintain records, but are still successful. The reasons why such groups do not keep records are:

- There is a need for literacy and numerical skills; at least one or two members must be literate.
- It takes time to write the records and one or two members must be able to find this time.
- Trained people are needed to write the accounts.
- Many groups do not know how to use accounts and, therefore, feel that the time and money invested in the activity is not worthwhile.

How accounts help

The practice of writing accounts helps to manage the business well. It also helps to monitor the business and know if it is making profit or losing.

The following example explains some ways in which accounts are useful:

- The Thung Ngew women's group buys fabric and gives it to its 20 members to make garments. If they keep an account of how much

material has been given to each member, they can estimate the number of garments that can be produced each week.

- If they write how much fabric they have in stock and how much is required for the following week, they can calculate how much extra they will need to meet their orders.
- If they keep an account of the cost price and the selling price it will help them to calculate the profit they make per garment.
- Sometimes the fabric is bought on credit and the women forget to pay for it in time, upsetting the supplier. If these details are recorded in the accounts, the group can plan the payment on time.
- If the group writes down its costs, it can plan ways to reduce these and thus make a larger profit.
- Maintaining records of debtors helps in following up on payments.
- Keeping accounts also helps to calculate the profit made at the end of each month or year. This, in turn, helps the group to determine the amount of money to be distributed among their members.
- They can also keep aside some money for the following month's expenses and future investments.

Thus, keeping accounts helps the group to:

- plan the purchase of raw material
- plan the sale of finished goods
- calculate costs and profits
- plan reduction in costs
- plan cash flows
- pay their creditors and follow up their debtors, thus improving their cash flow
- gauge whether the business is making a profit or loss
- know how they have used their money by comparing profits with the capital invested in the business

Groups must keep accounts to ensure that they do not face cash shortages.

Good records of all transactions with proper evidence for every expense can be used by other facilitators and technical experts to make financial statements.

Thus, good bookkeeping helps in keeping the business on track and improving its performance.

Basic accounting records

The group must maintain some basic stationery for keeping accounts. This includes:

- vouchers for recording all expenses; wherever possible, the actual bills/receipts for purchase must be attached to these vouchers;
- cash memo books in sets of two so that when one is issued to the customer, a copy remains with the group;
- receipt books, for cash and cheque payments;
- receipt and delivery books to record incoming and outgoing material.

The first step is to make a record of every transaction in the above books. All payments must be made with vouchers, sales must be made with bills and all goods that go out or come in, should be entered in the books. These bills, receipts and vouchers must be completed with full details and then entered in appropriate accounting records such as stock registers, ledgers etc. Money must be put in a bank account as frequently as possible and should not be withdrawn without the approval of the group.

Some basic accounting records should be maintained by every group. These are:

Cash book (two columns): Cash and bank transactions are entered in this register in the chronological order of their occurrence. One side of the register is used for recording receipts and the other to record payments.

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Petty cash: All petty expenses are entered in this register, consolidated and the total of each individual expenditure account is transferred to the general ledger at the end of each month.

Journal register: All transactions not involving cash and bank entries are recorded in this register and individually posted to the general ledger.

Purchase and sales register: All purchase and sales transactions are recorded in chronological order in this register.

General ledger: This register has an alphabetical index to indicate the location of each account. It may be income, expenditure, liability or asset. The accounts under each head are separately opened on different folios. This will help in preparing a trial balance and financial statement.

Bank book: This book keeps a record of all bank transactions. All cheques/cash received or deposited must be recorded here with details of amount, date, from whom received and for which sales. Similarly, details of the number, date, amount and recipient, for every cheque or demand draft (DD) issued must be noted. Often, a group deposits a cheque into a bank account, but the money is not realized for a few weeks. At other times, the group may issue cheques, but the money may not be transferred for a few weeks. Transactions entered in the bankbook can be reconciled every month and eventually at the end of the year to give a complete financial picture.

Stock register: Records of any raw material issued to a member should be entered in the stock register.

As the nature of every group business differs, it is useful to get professional advice on the account books that must be maintained. A good bookkeeping system requires that at least one or two persons are specially assigned to do the job. These people should be trained to maintain accounts in accordance with the laws and practices relating to cooperatives and women's groups as well as those of their

donors/creditors. A daily account must be maintained and the leader of the group or another group member should check that the accounts are written. Cash transactions must be tallied regularly.

Some ways of maintaining an efficient system of accounts:

- Make and regularly update the list of money owing to the group and follow up with the clients.
- Maintain a list of bills that have to be paid and prioritize payments. If a payment cannot be made in time, contact the creditor and inform her/him and fix another date for payment.
- Tally the balance in the cashbook every day, and in the bank book, every fortnight or every month.
- Make a cash flow statement at the end of every month, for the following month or preferably for the next quarter.
- Make a Profit and Loss statement and Balance Sheet every month, and discuss among the group.

Good account keeping can yield dramatic benefits. Cash planning as well as business planning in general is better. All members can discuss the finances of the group and its performance and plan for its improvement. Thus the business performance too begins to improve.

Handout 2: case study on bookkeeping

The Muang Ho women's group business makes rice noodles and chips. The members meet at the group leader's house to use the machine kept there. They make and sell noodles throughout the day. At the end of every day, the money they earn is given to Khun Thao, the leader, who puts it in a basket. Before handing the money over, the group notes the amount on a small pad kept for this purpose in the basket. Sometimes, they forget to enter small amounts. If they need petty cash, they take it out of the basket.

Mrs. Thao deposits the money in the bank once in a month. She keeps it with her till then and pays for other expenses such as bags of rice and noodles when stocks are low. Khun Piya and Khun Tum often make these purchases. Khun Thao knows how to write accounts but has three small children and, sometimes, does not have the time to do the accounting for three months at a time. Once, when she visited the bank, she found that the group had only 1 000 Baht remaining in their account.

She was worried and convened a meeting of members as soon as she returned. The members had not met for three months. They were very angry with Khun Thao. Khun Piya and Khun Tum could not locate all the slips where they had noted down the purchases made. The other members were upset and accused them of taking away money from the business. They said the business was good and they should have earned a profit, rather than make a loss.

Exercise

Let the participants discuss the story and the importance of book keeping. What can happen if books are not kept? What can happen if entries are not made in time? Emphasize the importance of daily cash control and profit calculations.

SESSION 2: Profit and loss accounts

- It is important that participants understand the concept of Profit and Loss before they begin to start making Profit/Loss (P/L) accounts.
- Open the plenary session by asking participants how many have made P/Loss accounts before. Assure them that this is not difficult and those not familiar with this will be taught how to do so.
- Organize a discussion on a specific business, such as making artificial flowers, and work out the accounts on the board.
- Ask participants to list all items of cost and write these on the left side of the board. Then ask them to list all income sources and write these on the right side. Remember that expenses such as cost of machine/s, grants, donations and loans are excluded from P/L accounts. But interest earned or paid, is included.
- After listing the Profit and Loss figures, ask participants to match these with the schedule details given in the handout to check if any item has been missed. Explain that they now have to calculate the P/L account for one month. Remind them that all income and expense that they take into account must be relevant to the one-month period.
- Then divide the participants into groups and give them between 45 minutes to one hour to work out P/L accounts for the case study in the handout. A full hour will be needed if participants do not have prior experience in preparing financial statements.
- Hold a plenary at the end of one hour. Ask participants if they have reached a net profit of 53 400 Baht. If necessary, work out the details on the board to ensure that everybody has understood.
- Ask the participants which aspect they find difficult to understand and spend some time in explaining the concepts.
- Two concepts that are often difficult to understand are depreciation and cost of goods sold. Explain these with the help of the handout.

Handout 1: *format for profit and loss account*

The Profit and Loss account is a statement that normally helps one to determine whether a business has made a profit or a loss between any given period. The Profit and Loss statement must be made at least once a year. Making a statement every month will also help.

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 = B - A</i>			

Note

- All costs and earnings for the period are taken into account for making the Profit and Loss statement
- The material cost must be calculated for the raw material used during the period under consideration. For example, a group with 150 kg of raw material as opening stock, bought 900 kg during the month and had 50 kg remaining at the end of the month.

- Therefore:

Opening stock	150 kg
Purchased	900 kg
Closing Stock	50 kg

- Thus material used during the month is estimated as follows:

Opening stock + Purchases minus Closing stock = Material used

$$150 \text{ kg} + 900 \text{ kg} - 50 \text{ kg} = 1\,000 \text{ kg}$$

- Make a note of all other costs incurred during the month for that month's production. There are, however, some expenses that will not appear in the monthly statement, for example a machine that was purchased for 20 000 Baht. Again, a deposit that has been paid for the electricity connection will not appear in this account.
- All monthly earnings will be included in the monthly Profit and Loss account.
- Money receipts not related to that month's production will not be entered into the P & L account. For example, entries related to government grants.
- Thus the P & L account only records the income and expenses relating to production/services of the business in the month.

How to calculate depreciation

In any business in agriculture using machinery or tools it is necessary to invest in new equipment after many years of use. For this, capital is needed. In order to accumulate this capital on a timely basis, the depreciation of the value of the machinery and tools must be calculated over the years that they can be used. For example, if a rice thresher costing 5 000 Baht needs to be replaced after five years, then the depreciation is 1 000 Baht per year. Accordingly, the business planning needs to reserve 1 000 Baht per year from the total annual income for the purchase of a new rice thresher after five years. This has to be done for all equipment used by the agricultural cooperative enterprise. This means that profit is calculated after depreciation costs have been taken into account.

Handout 2: case study on calculating profit and loss account

The Sirikant women's group has 50 members who are actively involved in making baskets with water hyacinth. They make these baskets at the cost of 120 Baht each and sell them at 150 Baht per basket. In September, the group had an opening stock of 300 baskets and they purchased 2 000 pieces from the members during the same month. They sold 2 100 pieces. The group's earning on direct sale of raw material to non-members was about 3 Baht per kg of raw material (water hyacinth). The same month they sold 3 000 kg of raw material to non-members. The group pays 300 Baht per month towards electricity charges and a commission on sales at five Baht per piece sold.

The group pays monthly salaries of 3 000 and 2 000 Baht to an accountant and a public relations/marketing assistant. The monthly telephone charge is 200 Baht, while postage costs about 800 Baht per month. They do not have to pay rent. Their office stationery costs are about 600 Baht in six months. The monthly transport cost of members' to supply the goods is about 300 Baht. Tea and food served to guests from different government departments cost about 400 Baht per month.

The group was given a machine as a gift by the government which was worth 60 000 Baht. The government officer told them that they would have to replace the machine with their own money. The machine will work for about five years. The group plans to charge depreciation of 12 000 Baht per year so that they can replace the machine after five years.

Discuss the above case study and find out whether the group makes a profit or loss.

Solution: Profit and Loss account for the month of September

<i>Particulars</i>	<i>Calculations</i>	<i>Amount in Baht</i>	<i>Particulars</i>	<i>Calculations</i>	<i>Amount in Baht</i>
Opening stock	300 x 120	36 000	Sales	2 100 x 150	315 000
Purchases	2 000 x 120	240 000	Closing stock	200 x 120	24 000
Commission paid on sales	2 100 x 5	10 500	Other income	3 000 x 3	9 000
Power charges	300	300			
Salaries	3 000 + 2 000	5 000			
Telephone	200	200			
Postal charges	800	800			
Stationery	600/6	100			
Transport	300	300			
Staff welfare	400	400			
Depreciation	12 000/12	1 000			
Total		294 600			348 000

Net profit = Total earning – Total cost

Net profit = 348 000 – 294 600

= 53 400 Baht

Handout 3: *format for balance sheet*

What is a balance sheet?

A balance sheet is like a photograph of the financial position of a business at any point in time. It shows where the money came from and how it was used. It can be seen as a description of the sources and uses of money in a business. The following concepts are used in the preparation of a balance sheet:

Working capital

This is essential for carrying the business on a day-to-day basis. Working capital takes care of problems of liquidity and cash requirements of the business.

Current assets

Assets held by the business for a period of one year or less. E.g. advances, deposits, sundry closing stock (raw material, finished goods) cash balance, bank balance.

Current liabilities

Outstanding payments of a business that must be made within a period of one year or less. E.g. advances from customers, deposits from customers, short term loan, working capital facility and sundry creditors.

Initial investment or fixed assets

Initial project investment for starting a business indicates the initial capital required to set up a business. E.g. land, building, machinery, deposits, power installations, etc.

Balance sheet

The balance sheet for any type of business will generally consist of the following headings:

<i>Liabilities</i>	<i>Amount</i>	<i>Assets</i>	<i>Amount</i>
Capital		Fixed assets	
Reserves		Investments	
(Long and short-term investments)			
Term loan		Advances & deposits	
Working capital from banks			
Loans from friends & relatives		Sundry debtors	
Sundry creditors (payables)		Closing stock	
Outstanding liability		Cash balance	
Total		Total	

Handout 4: *cash flow statement*

Cash flow is an important aspect of a business. It helps to make sure that enough cash will be available to cover necessary expenses. The cash flow includes:

- how much money goes out (for the purchase of raw material, salary payments, administration expenses, etc.)
- how much money comes in (through sales receipts)

$$\text{Total cash on hand} = \text{Cash on hand} + \text{Cash receipts} - \text{Cash outflows}$$

(cash receipts are from cash sales, collection of credit from members, loans taken, other cash inflow if any)

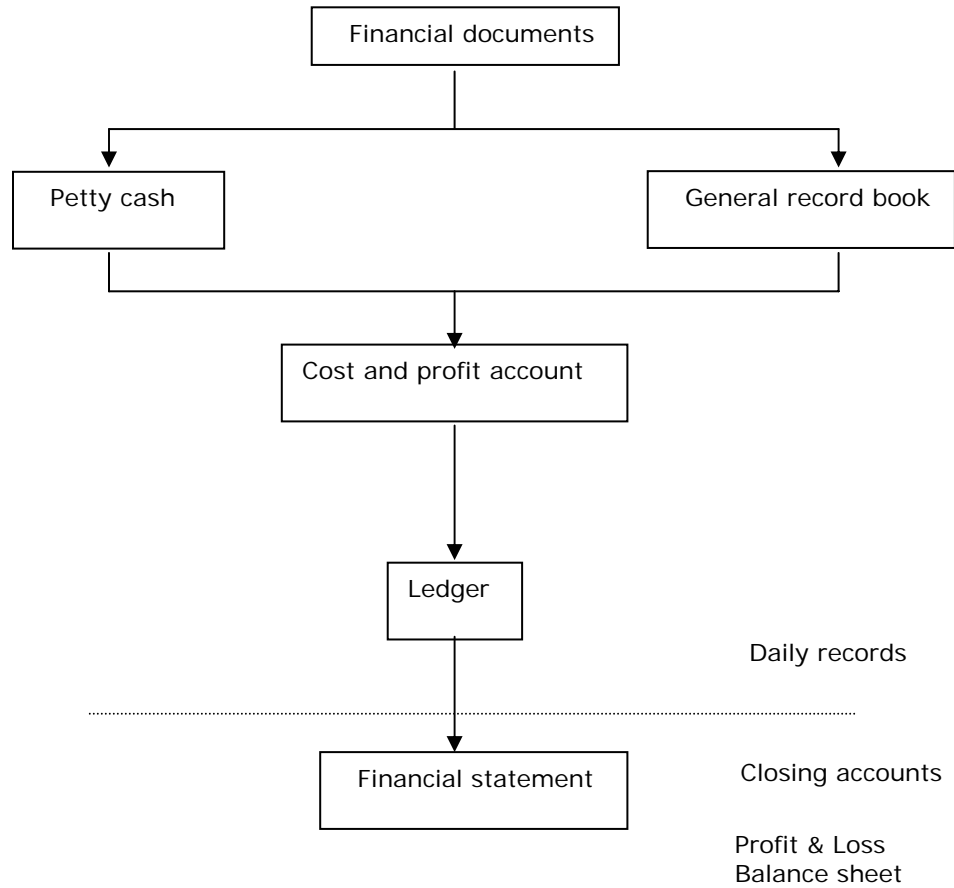
It is always better to project cash flows for a year or six months. The format for estimating the cash flow is as follows

Cash flow format for the business

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

Handout 5: *formats for bookkeeping*

ACCOUNT PROCEDURE



Financial documents

- Receipt
- Payment bill
- Deposit-withdraw bill
- Invoice

Accounts

- Petty cash
- General records
- Cost and Profit account
- Ledger
- Membership and share records

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- Inventory
- Raw material stock
- Fixed asset
- Loan debtor record
- Trading debtor record
- Saving record

Receipt format

No of book.....		
No.....		
Cooperative Women's Group Baan.....		
Cooperative.....		
Address.....		
Receipt		
Date.....		
Name of client.....Address.....		
.....		
No.	Item	Amount (baht)
1	Registration Fee	
2	Payment of share capital	
3	Loan repayment	
4	Interest repayment	
5	Sale (Product).....amount (unit).....	
6		
7		
8		
Total	(.....)	
Signature of the Recipient		
Recipient Signature		

Guidelines

- A receipt must be issued for every payment received.
- Fill each blank space in the format i.e. date, name and family name of member or customer.
- Fill the amount of received cash in the right item. In case of other receipts, which are not composed in this format, please describe the item as well as the amount of received cash.
- Fill the amount of received cash in number and words.

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- Every receipt has to be completed with the signature of the recipient.
- Try to fill the account number and membership number of the client so that auditing can be easier.

Expense voucher format: Used in cases where there is no receipt for any expense.

Cooperative Women's Group Baan.....		
Cooperative.....		
Address.....		
Expense Voucher		
Date.....		
Name..... received cash as the following items;		
Address.....		
No.	Item	Amount (baht)
Total	(.....)	
..... Signature of recipient	 Signature of payer

Guidelines

- Supply the details for the blank spaces in the heading.
- Describe the item of expense and the amount of payment.
- Fill the total amount both in number and words.
- Both recipient and payer need to sign.
- This format is not necessary if the recipient has his/her receipt form.
- Correctly filled expense vouchers are useful for internal auditing.

Deposit-withdrawal format

Cooperative Women's Group Baan.....		
Cooperative.....		
Address.....		
Type of Deposit-Withdraw account.....	Account No.....	
Account name.....		
μ Deposit		
μ Withdraw		
Amount (Baht)		
.....		
.....		
.....		
.....
Signature of account owner	Signature of payer	Signature of accountant
I delegate Mr/Ms	as my representative
	
		Signature of representative

Guidelines

- Describe type of saving account and account number.
- Fill name and family name of account holder.
- Mark in either item of deposit or withdraw as well as amount of money.
- Both account holder and payer need to sign.
- In case of delegation, name of delegated person has to be filled and signed by the account holder.

Invoice format: Used as evidence of product sold on credit

Cooperative Women's Group Baan..... Cooperative..... Address.....					
Invoice					Date.....
Name.....					
Address.....					
No.	Item	Amount of unit	Price per unit	Total amount (baht)	
Total	(.....)				
..... Signature of recipient		 Signature of person who delivers		

Guidelines

- Supply the details for the blank spaces in the heading.
- Describe the product item, quantity, price per unit and total amount.
- Fill total amount of sales both in numbers and words.
- Complete with signature of both recipient and the person who delivers it.
- Invoice is used as evidence for internal auditing.

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Petty cash account: Used to record both income and expenses.

1. *Petty cash account: Record of cash flow of both income and expense.*

Income

Date	Item	Registration fee	Share capital	Credit repayment		Sale	Credit sale	Deposit	Others
				Credit	Interest				
1	2	3	4	5	6	7	8	9	10
Total income									
11									

Expense

Date	Item	Credit lending	Goods purchase	Cost			Withdraw	Others	Total expense
12	13	14	15	16	17	18	19	20	21
Balance									
22									

Guidelines

Income

- Column 1: Fill the date of receipt.
- Column 2: Describe the type of receipt.
- Column 3-9: Separate the amount of receipt in each item.
- Column 10: Fill the other items of income that are not composed in the table such as grants, loans etc.
- Column 11: Fill total amount of receipt (calculated from 3 to 10).

Expense

- Column 12: Fill the date of payment.
- Column 13: Describe the type of payment.
- Column 14: Fill in the amount of credit lending.
- Column 15: Fill in the purchasing cost.

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Cost and profit account: Used to keep records of sales and cost and profit margin on each item.

Product..... Volume of Production..... Amount.....

Date	Item	Sale	Cost	Remark
1	2	3	4	5

Guidelines

- Describe type of product, production volume and amount of product in each round.
- Column 1: Fill date of record.
- Column 2: Describe the type of item.
- Column 3: Fill in the amount of sales both in cash and on credit.
- Column 4: Fill in the costs.
- Column 5: Enter any other related information.

Ledger

Membership record

Name of member.....

Member No.....

Date	Item	Share investment	Share withdrawal	Balance	Remark
	2	3	4	5	6

Guidelines

- Fill in the member's name and number.
- Column 1: Fill in the date of payment for the member's fee and share capital.
- Column 2: Describe the type of activity in the item column.
- Column 3: Fill in the amount of shareholding.
- Column 4: Fill in the amount of share withdrawals.
- Column 5: Fill in the balance amount of shareholding.
- Column 6: Describe other related information.

Inventory

Type of product..... Amount..... Cost per unit..... Price per unit.....

Date	Item	In (unit) (Purchased)	Out (unit) Sales	Balance
1	2	3	4	5

Guidelines

- Column 1: Write the date.
- Column 2: Describe type of product.
- Column 3: Fill in the quantity of purchased products.
- Column 4: Fill in the quantity of sales (unit of product).
- Column 5: Fill in the balance quantity of stock.

Raw material record: Used for raw material management, particularly in production activity

Type of raw material.....Cost per unit.....

Price per unit.....

Date	Item (Unit)	Purchase (unit)	Utilised/sold (unit)	Balance stock
1	2	3	4	5

Guidelines

- Column 1: Fill in the date of movement.
- Column 2: Describe the type of raw material.
- Column 3: Fill in the quantity of the item purchased.
- Column 4: Fill in the quantity of the item utilised or sold to members.
- Column 5: Fill in the remaining quantity of stock.

Fixed asset record

Type of asset.....

Date	Item	Cost	Asset age	Depreciation	Net value	Remark
1	2	3	4	5	6	7

Guidelines

- Column 1: Fill in the date of purchase.
- Column 2: Describe the type of asset.
- Column 3: Fill in the amount of cost.
- Column 4: Fill in the number of years that the asset has been utilised.

- Column 5: Fill in the value of depreciation in each year.
- Column 6: Fill in the cost of the asset after depreciation.
- Column 7: Fill in the related information.

Lending account

Name..... Interest rate.....

Date	Document No.	Amount of loan	Payment		Balance amount	Interest calculation
			Principal amount	Interest amount		
1	2	3	4	5	6	7

Guidelines

- Column 1: Fill in the date of lending.
- Column 2: Fill in the number of document.
- Column 3: Fill in the amount of approved loan.
- Column 4: Fill in the amount of repayment on the principal.
- Column 5: Fill in the amount of repayment for interest.
- Column 6: Fill in the amount of credit remaining.
- Column 7: Describe the calculating method for each repayment.

Trading debt record

Name of debtor.....

Date	Item	Loan	Repayment	Balance	Remarks
1	2	3	4	5	6

Guidelines

- Column 1: Fill in the date of sales.
- Column 2: Describe the type of product.
- Column 3: Fill in the value of loan.
- Column 4: Fill in the amount of repayment.
- Column 5: Fill in the remaining amount of credit.
- Column 6: Fill in the related information.

Deposit and withdrawal format

Name of the account holder

Account No.

Date	Item	Deposit	Withdrawal	Balance calculations	Interest

2. Guidelines

- Column 1: Fill in the date of deposit.
- Column 2: Describe the type of deposit.
- Column 3: Fill in the amount deposited.
- Column 4: Fill in the amount withdrawn.
- Column 5: Fill in the remaining savings.
- Column 6: Fill in the interest calculation.

What you have learnt in this module

- *When proper accounts are not kept*

It can lead to lack of trust among members, because there is insufficient evidence of cash flow in and out of the business.

- *What do the groups need to do?*
 - Income and expenditure should be recorded with evidence for every transaction.
 - There must be withdrawal/deposit receipts of bank transactions.
 - A person should be in charge of cash and record all other transactions.
 - Another person should sign all payments.
 - Groups must assign the right person for each job and responsibilities must be clearly designated.
 - Groups should have meetings to review monthly performance.
 - Groups should get their accounts audited at least once a year.

- *Why keep accounts?*
 - Bookkeeping and accounts are major tools that help women's group members to plan the best use of resources and monitor group business.
 - Each member should be able to understand what is in the accounts books.
 - They should know what they put in and what they get out of the business.
 - Accounts give an idea of where the money comes from and where it goes. If members understand and track these through proper bookkeeping practices, the flows can be changed to improve the viability the business.
 - Accounting information must be shared at regular group meetings for both awareness-raising and for transparency and joint decision-making.

➤ *Why groups do not keep accounts?*

- It is difficult to find rural people who are skilled in keeping accounts.
- There is no formal institutional linkage between rural women's groups and agricultural cooperatives. As a result, there is no monitoring and evaluation system in place within the cooperatives to facilitate the financial management of these groups.

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

Session 1	What is marketing?	1 hour 30 min
Session 2	Elements of marketing	3 hours
Session 3	Marketing visit	3 hours
Session 4	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*

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

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*

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

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*

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)

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*

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

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*

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

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

Session 1	Concept of savings	1 hour
Session 2	Concept of risk management	1 hour
Session 3	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*

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

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*

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*

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"> • Satisfaction from contributing to community needs • Needs of local community get recognition and support • Social recognition and prestige for the women's group 	<ul style="list-style-type: none"> • Continued dependence on the government • Non-recognition of their unit as a genuine business enterprise • Inability to provide for the growth of own business • Not able to get credit from mainstream institutions, even from their own parent cooperatives

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

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

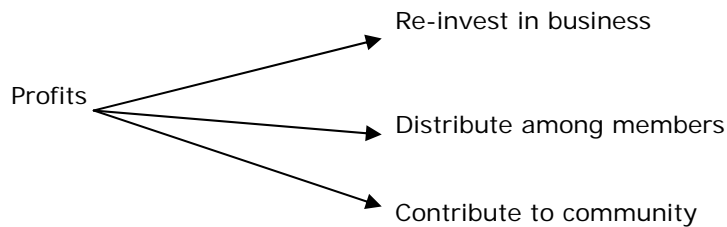
- Saving makes the group more active and members meet regularly.
- Savings are the most important source of funds for a group business.
- Regular savings lead to investment in group business, inculcating an attitude of self-reliance.
- Cooperatives encourage individual members to save with them.
- When 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

Session 1	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:

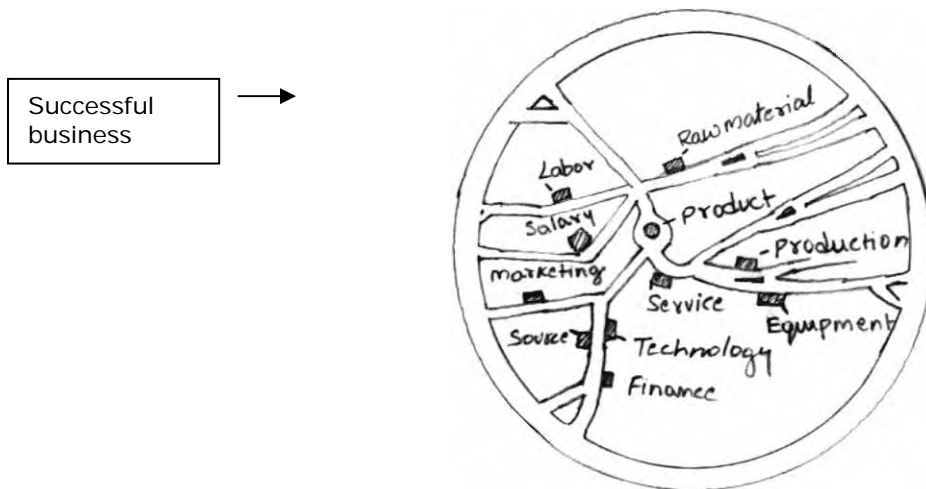
Basic information: About the women's cooperative group such as name and address of the group. It also includes the vision and mission statement of the group.

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

Session 1	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

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

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

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 Angthong 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

Session 1	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

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

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

Session 1	Evaluating women's cooperative businesses	2 hours
Session 2	Preparation of action plans	1 hour 30 min
Session 3	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*

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

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- 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

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*

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*

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

Product	Annual sales (Baht)	Gathering		Distribution	
		<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

Item	Volume	Cost (Baht)	
		Per unit in Baht	Annual purchase in Baht
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 Chaiphum	8 600
2 Drill machines (<i>Makita</i>)	Construction shop in Chaiphum	8 600
5 Clamps	Construction shop in Chaiphum	2 000
1 Drill set	Construction shop in Chaiphum	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*.

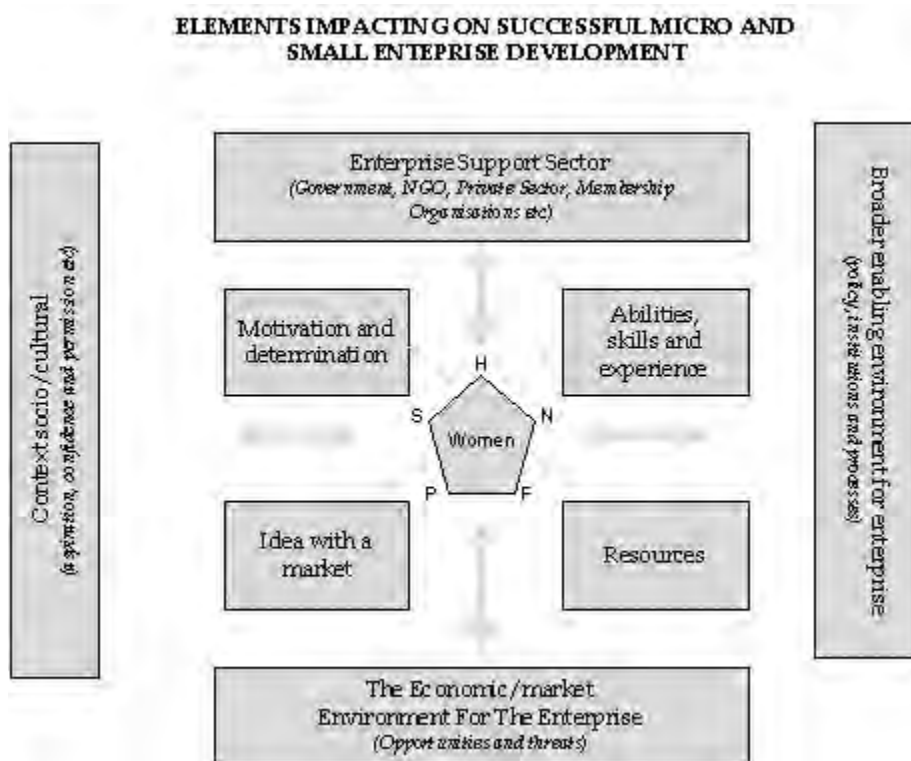
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A major concern for the CPD is women's groups that remain economically unviable after taking government support. While being careful in selecting the groups to be assisted, the Department needs to strengthen its training programmes to capacitate the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