



Exercise	: Project identification
Code	: PPMATCH – A1-simple-proj-ident
Source	: Torsten Stripke
Tested in	: Dinajpur/Bangladesh Date: 8/98 By: U Thein Maung
Target group	: Illiterates

Objectives : Identify appropriate project ideas for perusal;

Use : Matching of person and project;
Project identification.

Time : 45 min.

Requirements : Lead facilitator; two co-facilitators;
Flip chart or ZOPP board,
Markers;

Setting : Participants in usual U-shape position.

Steps : (1) Ask the participants how many different income generating activities they have performed in the last say three years. Let some of them cite their examples.

(2) Explain that during this seminar, they are supposed to learn how to better plan a new or an existing income generating activity (business) by undergoing various steps. Unfortunately, this process cannot be undertaken for several of their economic activities so a certain choice needs to be made.

Ask them to reflect thoroughly on all their income generating activities and identify those three they think are the most promising ones. Allow them to talk to any of the co-participants during 10 minutes (if desired) in order to retain those three activities.

(3) In a further step, they are asked to identify now that income generating activity which they think is the absolutely best among those three by taking the following criteria into account display the respective symbols (see following exercise on "Micro Screening"):

- "Are my own competencies (see "strengths detector) sufficient?"
- "Can I finance it to a large extent with my own equity?"
- "Will people buy my product / service (i.e. is it needed and can people afford it)?"

The participants may again – during 15 minutes – discuss with their neighbours or with any person they like in the training hall. The facilitators will visit all participants and give advice without urging them to chose any specific project idea.

(4) Inform them that this internal pre-screening of project ideas has been necessary in order to start a more comprehensive screening process by taking one more criterion (competitors) and a certain assessment scheme into account.

Caution

: The task might be too abstract for some participants.

Those participants without any prior experience in income generating activities don't know what to do.

Participants hesitate to share their knowledge regarding their own experiences with their co-participants.

Hints

: Ask some participants to share in public how they scrutinise their income generating activities (IGA) in order to identify the three most promising ones.

Participants without any business experience are asked to imagine possible and promising businesses while taking the above mentioned criteria into account.

If they don't want to share their ideas with others, don't panic! They may do so unless and until they share later on (next session) their prime choice with others.

During **step 3** you may ask the participants to group according to the most favoured projects which provides two advantages: more intensive exchange about pros and cons of the mostly favoured project as well as formation of groups for the discussion of second best and third best option. Pay attention that the groups are somewhat equal in numbers to allow for more concrete discussions.

Variations : Not yet known

Processing : Inquire in how far they found this step difficult (easy)? What was the deciding issue while opting for this or for that IGA? Write their answers on a flipchart pinned on Kraft paper (add their respective symbols). *Reinforce the message of acquired competencies, sound financial basis or solvent demand, i.e. the three criteria solicited.*

Tell them that the IGAs which were not selected might come back into the picture if it is found after the following exercise that they are more promising than the pre-selected ones.

Thank them for their mutual help (in case it took place!) and felicitate them for the brain work that has been accomplished. Tell them that this was a very important step towards their business future. If they can nicely learn the process of planning one business, they are supposed to be able to do it for others project ideas as well.

Warning: *Do not overdo the processing at this point in time as the participants are usually keen on learning how this number of project ideas will be dealt screened down to just one promising project idea.*

- Setting** : Participants sitting in groups of similar project ideas (since the end of the previous session) in usual U-shape seating.
- Steps** :
- (1) Summarise the previous steps (preceding exercises) by saying that now only one main project idea has been identified by everyone. Before that step, we have done an inventory of our competencies, and we learned about our key personal entrepreneurial characteristics. Now it is time to check if that final project idea it is really worth while being put into practice. Ask for their comments or if they have retained any other important issues during the last days related to the project idea selection? Assure them that the other project ideas ranked second and third will come into the picture again once they are not satisfied with the rating of their favourite project idea.
 - (2) Invite them to identify more criteria for the further selection process apart from those three already utilised during the previous exercise (plenary). These criteria should help us to find out if the remaining project idea is a very feasible one. Note their proposals on ZOPP cards (including their personal symbols). Probe into the different arguments which back up their respective conviction. *If required, guide them into the direction of the remaining two criteria used in the micro screening process (availability of raw material, competitors)*. Laud their efforts, particularly when the results correspond to the expected outcome.
 - (3) Introduce to the prepared micro screen format on laminated Kraft paper and the respective symbols on top. Next to that table, you have pinned ZOPP cards carrying the six different ratings (from 0 to 5 with the corresponding number of smiling faces – idea borrowed from the mood barometer already known to them!).
- Example for solvent demand: The rating takes place on a scale of 0 to 5; "0" indicates the non availability of demand (i.e. no demand at all) whereas "5" stands for a solvent demand at any time without any exception (extremely high demand throughout the year without seasonal and other fluctuations).
- Make clear that the extremes "0" and "5" should only occur in rare cases as they are really exceptions. Usually, the rating is in between "1" and "4". Then, explain the different criteria ("competitors" will be explained later!)
- *Availability of raw materials*: reiterate that any entrepreneurial process need an inflow of raw material which is either transformed into another product (production) or utilised in the provision of services or simply sold at a

higher price (trading). If all the raw material required is readily available throughout the year, then rate high, but if there are shortcomings or seasonal fluctuations then the ratings is respectively lower.

- *Availability of personal skills:* assess yourself in how far you possess the required skill manually; if not, then an employee (additional costs = reduction of profit!) would be needed as a helper. If the required skill can be masterly performed, there should be a high rating, if it is low or non existing, then rate low.
 - *Availability of financial resources:* For every business, some seed money is required to purchase the needed raw material or other inputs. Instruct them to utilise "5" if they think they own all the money required (equity) to start the process and to mark "0" if they don't avail of anything in cash (or as savings).
- (3) Then, ask one volunteer to mention his project idea selected during the previous step. Ask her (him) to rate according to your explanations (eventually, repeat the rating process!). Invite the other participants to give their comments on each and every rating so that their local experience can be fully tapped. Explain that their subject matter know-how is required because they might have experiences for the project idea under scrutiny. Make sure that there is an extensive exchange of ideas and rate subsequently while taking care that the concerned person agrees.
- (4) At the end of this process ask the volunteer to add up all the ratings per project idea and write the sub-total into the respective column. Then, reveal and explain the right part of the micro screen chart which deals with competitors. Ask them in how far competitors play a role in project designing. *Elicit that the higher the number of competitors the less likely my products can be sold, or tough competition contributes to reducing prices (undercutting) which leaves every entrepreneur with less income than anticipated and ultimately results in a process where lots of enterprises have to close down.*

Let them rate in the same spirit (i.e. higher rating for many competitors, lower rating for a few, or even "0" for none – if this is true!). Once the plenary and the concerned participants have agreed on a certain rating, ask them what should be done with this number compared to the previous sub-total: add or subtract? Let them give their ideas with arguments. *Elicit that this number needs to be subtracted because the more competitors there are, the less likely the business will be able to survive.*

Ask the volunteer to subtract the number and write the total. Then, instruct him (her) to keep on thinking if this project seems to be viable by taking all the comments into account. The co-facilitator who has been writing the ratings on a prepared Micro Screen table on A4 size, hands it over to the volunteer asking to do the same process with the other two project ideas in case she feels shaky about the project idea originally rated best. Remind them that the remaining days of the seminar they will be only dealing with the project selected during this process; if they select a wrong idea they might regret it later on.

- (5) Call on another volunteer to undergo the same process (**steps 3 and 4**). Take care that identical or similar projects are dealt with during one discussion in plenary. Make sure that your co-facilitator copies the respective results on A4-sized "Micro Screen Table" and hands it over to the concerned participants.
- (5) After all project ideas have been dealt with in plenary, ask the participants to work individually on this issue and eventually revise the rating according to their own assessment and/or undergo the same process for those project ideas being ranked second or third in order to be convinced of the one project which will be dealt with during the rest of the seminar – finally it's their own project which needs specific care. They may avail of the help of their group members and the facilitators who will guide the process in the different working groups.

Caution : The rating process may be too abstract for the participants.

The participants may be too shy to criticise the co-participants' project ideas; depending on the participants' temperament just the opposite might take place (everybody identified with each others' project ideas!).

The fact that the competitors' rating is deducted might cause some comprehension problem.

The participants might have mentioned other criteria which were not taken into account on the prepared Micro Screen table.

Hints : Find examples to illustrate the rating process. *For example: Problems in comprehending the demand issue:* clarify that the market determines success or failure of any project idea – if there is no buyer (or not a sufficient number of buyers) there will be no sales; explain that there is a difference between a need (which might not be satisfied due to lack of financial resources) and a solvent demand. Ex-

ample: everybody would like to have a car but there are only a few people who can afford to buy one.

Encourage the participants to critique while explaining that critiquing is helpful for all in order to improve the rating. It will not be helpful if major errors occur during rating so that the wrong project idea might be selected for further perusal. Explain that critiquing in a healthy group atmosphere is like a positive feedback; it should be understood as a contribution and not as a "condemnation".

Re. competitors ranking: explain that the first three criteria were added which meant that a higher score indicates a seemingly more feasible project idea. As the number of competitors has a negative impact on the own business success chances, this figure needs to be deducted from the previous score (sub-total).

If required, insert a brief demonstration at this point in time in front of the group which illustrates the shrinking of the demand for your product when the number of competitors increases: two facilitators with 30 Taka each (i.e. total of 60 Taka) representing the purchasing power) stand opposite one participant who represents one seller (any product). Ask the participants how much money a seller without competitor could possibly earn (60 Taka). Call on another participant to represent a second seller <competitor> (average earning: 30 Taka), a third seller (average earning: 20 Taka) until a sixth seller comes in (average earning: 10 Taka).

This exercise is centrally important so that the given time frame should be extended, if necessary. Critiquing by their co-participants will enhance reflections on the different project ideas more than any interventions from the facilitators' side.

Variations : The original version (see 1. Manual) including individual work on the three major project ideas with individual coaching.

Processing : How do you feel about having screened your intended projects with the help of some important success indicators? *(Let them not have the impression that these criteria provide already an ultimate answer to all their questions but just a more concrete idea about market chances. There is still much more to learn about market mechanisms during the next days, hence the products identified serve just as a possible entry point).*

Apart from the indicators applied, are there any others which you can imagine to be of some value for your final product

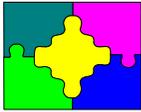
identification? *(Let them freely express their ideas and note them on flip chart. Discuss them one by one: make sure that there can be many more indicators, product-specific as well as market-specific ones but those used during the Micro Screening process have proven to be most useful. Eventually, mention the killing assumptions which might hamper the whole business although all other indicators applied in the rating are extremely positive. Example: handicraft products: the middlemen seem to be the market to the producers but in reality the customers overseas stand for the solvent demand; if anything happens in these countries such as economic crisis, etc. then suddenly the middlemen are no more interested to buy so that the enterprises will die off!)*

Explain to them that after the Micro Screening process , the next step consists of understanding more in detail how the market actually functions. The market is the general expression for the place where their products are sold. There are some “basic laws“ and “mechanisms“ which govern interactions on the market; and these need to be identified before any further decisions on going into business (or not! This is still a valid option!) can be made. Remind them that it's finally the market (solvent demand) which determines success or failure of a project so that this issue needs more considerations in detail. Their assessment of the solvent demand has just expressed their personal assessment without having valuable details and hard figures (interviews, opinions, statistics, etc.).

Annex 1

MICRO SCREENING CHART

Name: _____ / Symbol: _____

PROJECT Good / service or trade	Availability of a solvent de- mand	Availability of raw material	Availability of skills	Availability of financial re- sources		Competitors	
					TOTAL		Corrected TOTAL
	(+)	(+)	(+)	(+)	(=)	(-)	(=)

Evaluation criteria: 5 = excellent / 4 = good / 3 = average / 2 = fair / 1 = poor / 0 = not existing

*You may also apply a rating scale consisting of 5, 3 and 1 (and 0 respectively),
if you are convinced that your target group will do better if there are less options.*



Exercise	: What are our problems in the area ?
Code	: PPMATCH – B1-problems-brainstorm
Source	: Malcolm Harper (adapted by: Torsten Striepke)
Tested in	: Gazipur /Bangladesh Date: 2/98 By: Abdul Wadud
Target group	: Rural illiterates

Objectives : Identify the maximum number of project ideas in the area;
Detect that problems in the direct environment express needs which might be satisfied by individual (entrepreneurial) action;
Understand that all economic activities need to be based on needs.

Use : Brainstorming;
Project idea generation.

Time : 30 minutes

Requirements : Lead facilitator, 1- 2 co-facilitators;
2 ZOPP boards,
Markers,
Table of all participants (if required: on two or three ZOPP boards) on Kraft paper (see **Annex 1**).

Setting : Participants in usual semi-circular set-up facing the ZOPP board with a prepared Kraft paper (see **Annex 1**);
The lead facilitator is in front of the group whereas the co-facilitators are positioned next to the groups' ZOPP boards.

Steps

- : (1) Take the participants to a "walk" through their location (village) by sharpening their eyes on everything which they think is missing. "What problems do you face in your area due to missing whatsoever?".
- (2) Reveal the prepared table containing all the names of the participants and explain that you are going to do a competition. The winner will get 50 Taka, the runner-up 30 Taka and the third one 10 Taka. The rules to be observed are the following ones:
- Starting from the first person on your left, everybody will have to mention one communal problem (lack of; missing ...) which prevails in the area as perceived by the individual, i.e. a negative statement, within 5 seconds; these problems should be communal ones which are felt by the respective participant who mentions them;
 - The problem will be listed in the column of the respective person mentioned on the board, every problem mentioned earns one point;
 - It is not allowed to repeat the same problem; in this case, two points will be deducted from the respective participant's score;
 - The exercise goes on until there are no more new ideas;
 - The points are counted and the winners are announced; prizes are handed over.
- (3) Make a test run of three to four problems as they are felt by the participants; these problems are particularly marked because they will not be counted in the competition (nevertheless, they will be taken into account during the next exercise!).
- (4) Once the starting signal is given, the co-facilitators write the problems into the column of the respective participant who mentioned them. The lead facilitator supervises closely the 3-seconds rule and the keeping of the participants' turn following the sitting order.
- (5) If the number of problems identified slows down, there might be a free-wheeling of ideas, i.e. no more waiting until it is one's turn. The quicker, the better; the louder, the more convincing. Encourage the participants not to be too shy during this exercise.

- Caution** : The term "problem" might not be understood in their village context; give them all the liberty required to mention even problems in a very wide sense (no sanctioning during brainstorming sessions because it is the aim to have the maximum number of issues!).
- Examples of these problems are: too much rain, no regular transport facilities, shortage of certain goods, no proper schooling facilities, no access to credit, etc.
- Shyness might prevent some participants from evoking perceived problems.
- Hints** : Encourage the participants to take actively part in this exercise because money is at stake.
- Make sure that the problems mentioned are not too "high flying", i.e. that at a later stage in most cases solutions within the reach of the participants can be found.
- In accordance with the comprehension of the participants, the 5-seconds rule might be dealt with very widely in order not to frustrate too many participants; if required at a later stage, the 5-seconds rules should be reinforced.
- Do not discuss the problems mentioned by the participants. Accept them all to allow for a free flow of ideas.
- Prepare two ZOPP boards with the participants' names according to their number (charts); make sure that the sequence of their names on the board corresponds to the sitting arrangement (otherwise, there might be mistakes!).
- Accept all problems if they show a slight difference to another problem (see **rules** in **step 2**) mentioned earlier. Allot only the two points punishment if the problems mentioned are really identical. Ask the respective co-facilitator to make a tick mark in the respective field of the participant in question (see **Annex 1**).
- Variations** : **(1)** Free-wheeling of ideas from the very beginning (suggested in case the participants are very vocal and not too shy!)
- Processing** : Inquire about their feelings in view of such a huge number of problems perceived in their locality. Did they ever imagine that there are so many?

What is our intention when we find ourselves in front of problems? Are we likely to accept these problems as they are? Lead them to identify *problem solution*. Some problems might be so big that the local people or individuals might not be able to bring about solutions but others could be within their reach.

Bring out through questions that problems describe *needs*; a need to overcome. Any entrepreneurial activity – if it is bound to be successful – must be based on a need perceived by the customers. If there is no need for a product or service, there is no market!

Hence, what do these problems mean to entrepreneurs? Lead them carefully to detect that problems could be opportunities to entrepreneurs. The exercise which just finished falls in the opportunity seeking category. In a next step (see **PPMATCH – proj-ident**) possible solutions will have to be identified for each communal problem mentioned.

Annex 1

Problem Matrix

- sample sheet -

Name/ Symb.	Problems perceived	(Needs)	(Count of project ideas)
Sunita			
	Minus: (make tick marks)		
Doya			
	Minus: (make tick marks)		
Paul			

Prepare two or three charts, if required! Place the names in the order of their sitting arrangement. The blank columns are meant for the solutions (see next exercise).

The "needs" and the "count of project ideas" columns are only revealed during the following session <PPMATCH – proj-ident>.

- (2) Read out loud every problem mentioned and ask the participant which need they think is hidden behind these problems. Ask them to find an example (*Example of a problem: No regular transport, example of the need: regular transport or reliable transport facilities*).

Follow the list of problems and treat them one by one while writing the respective need expressed into the second column (see chart in **Annex 1** of PPMATCH – problems-brainstorm). Allow them to identify several needs for each problem, if possible.

- (3) Read out loud every need mentioned (the previous problem might be omitted at this stage) and ask how the participants can imagine to satisfy these needs so that genuine project ideas will emerge (e.g.: need: regular transport; project idea: provide rickshaw service, or: need: shelter against rain <based on the problem "too much rain">, project ideas: sell umbrellas, rental tent service, sales of rain coats, etc.). Give enough room for creative solutions. The project ideas are listed on a separate flip chart paper. Announce that each project idea spelled out will earn one point to the respective participant; the one who gets the highest score will be named **king (or queen) of creativity**, and he/she will get a prize of 50 Taka whereas the runner-up will earn 30 Taka and the third one 10 Taka.
- (4) If you start the competition, read out all needs at a slow pace so that the participants can really understand and emit project ideas. One co-facilitator notes down the project ideas whereas the other one acts as a judge to decide about which participant was first with a contribution; the lead facilitator will give one tick mark behind the name of the participant who mentioned the project idea (see name list pinned on one ZOPP board in front of the participants). Make sure that this brainstorming exercise is carried out in a competitive and exciting mood so that even unusual project ideas can be identified.
- (5) Lead over to the processing part (see below).

Caution : Solutions might not be found for all problems (in this case, leave a blank space in the solutions column).

The participants don't dare to come up with unusual solutions because they always keep their feasibility in mind.

Hints : Encourage the participants to find seemingly unusual solutions by drawing their attention to the fact that the feasibility at this point in time should not yet be our concern.

If solutions could not be found for all problems, come back to them (blank spaces) at the end of this exercise because some new ideas might have emerged during the process.

Maintain a competitive situation in order to stipulate quick reactions and many contributions.

Do not allow that the participants narrate lengthy stories to mention one project idea because the flow of ideas will be interrupted.

Some particular problems (needs) for which one solution has been identified might be treated in more detail particularly when you have the impression that it possesses some potential for a project idea in the respective locality. In this case, try to get more ideas through the question and answer technique until more appropriate solutions (business ideas) have been identified. Example: (problem: no public transport to the training hall; first solution mentioned: need more taxis; afterthought: private rickshaw service operated by one participant).

Variations : Not yet known

Processing : Ask them how they liked this exercise (give free room for expressions!).

Declare the winners and hand over the cash prizes!

After having listened to all the different problems (which express certain needs) and after having evoked some potential business ideas in a brainstorming manner, did they ever imagine that the latter could be so manifold and so numerous? Ask the whole group if there was any particular project idea which struck them in a sense that it was totally new and seemingly convincing?

To which extent do these ideas fit into their competencies detected on the first day of the training? *Let some participants explain about this issue particularly in terms of feasibility.*

Lead over to the next session on macro screening.

Warning: *Do not overdo the processing at this point in time as the participants are usually keen on learning how this huge number of project ideas will be dealt with during the following steps.*

certain criteria: the participants themselves possess the required **competencies**, the projects are not too costly (assess the own **financial resources**) and a **solvent demand** could be identified (only for those project ideas which were not elaborated during the preceding session where the need has been the trigger).

- (2) Individually, they memorise or note down those three project ideas during a maximum of 20 minutes. They may consult other participants or the facilitators, if desired.
- (3) Tell the participants not to worry if they do not yet know how to put the project ideas into practice. Emphasise that the practical and financial feasibility at their level is now the most important issue. Inform the participants once again that they should not restrict their three project ideas only to those which are found in the room as generated during the brainstorming session.
- (4) After 20 minutes invite all participants one after the other to present their findings to the whole group. Encourage discussions, particularly when you feel that some other participants might not agree with the selections made.

Caution : Some participants may demand further clarification and specifications (tools) to screen the project ideas generated so far.
From this session onwards, some participants may want to keep their identified project ideas confidential, hence not all of them may like to volunteer for presentation.

Hints : Eventually emphasise again that no further tools are needed to screen the products down to three. Tell them that this will be done at the next step.
The participants may also note down products which come into their mind while walking around in the classroom and which are not mentioned on the flip charts (project ideas created during brainstorming).
Each co-facilitator should look after a certain number of participants in order to ease the selection process.

Variation : None for the time being.

Processing : Thank them for their efforts and inquire in how far they are already satisfied with the results. Reiterate that this is only a temporary result because during the following session some more screening tools will be introduced.

Find out how many of the participants have still kept the original project ideas before joining the training programme. If there are only a few, probe into the causes. Why did you drop the original ideas? It might be that they did not have any convincing ideas which were born just by having observed others (copy-cat syndrome!).

Invite them to have another look at the CHAIR model while asking which ones of the legs have been taken into account while doing the macro selection (*Elicit that personal competencies and financial resources were the basic considerations / criteria*).

What do they detect in terms of these two legs and another one? (*Elicit that competencies and financial resources are important conditions to identify the business idea, another leg.*)

Ask them if the majority of the project ideas are already existing in the area? Discuss around the problem of copying others' ideas or inventing new ones: what happens to the purchasing power if more projects of the same kind will be started (*elicit that the entrepreneurs will earn less because the same number of buyers is distributed over a larger number of enterprises*)?

What happens if they are the only producers, service providers or traders in the area (*elicit that all potential customers would be attracted and that there will be no competition!*)? Which of the two alternatives would be the more desirable one from an entrepreneur's point of view? *Elicit that occupying a niche (nobody else in the area manufactures this product or provides this sort of service!) with a solvent demand would be the most brilliant idea!*

OPEN COMPET PPMATCH BPLAN END



Exercise	: Micro Screening of project ideas
Code	: PPMATCH – B4-microscreen
Source	: CEFE Manual (Volume I); Adaptation: Torsten Stripke
Tested in	: Gazipur/Bangladesh Date: 2/98 By: Kohinoor Yeasmine
Target group	: Illiterates

Objectives : Identify business ideas which cope with the respective participants' competencies;
Share different business ideas;
Fine-tune rough business ideas through critiquing.

Use : Project identification;
Defending business ideas against critique.

Time : 3 hours

Requirements : Lead facilitator, co-facilitator;
ZOPP boards,
Flip chart,
Markers,

Micro Screening table (see **Annex 1**) for presentation on Kraft paper and copies on flip chart paper according to the number of participants

Setting : Participants in usual U-shape seating.

Steps

: (1) Summarise the previous steps (preceding exercises) by saying that three project ideas have been identified so far. We have done an inventory of our competencies, and we know already our key personal entrepreneurial characteristics. The participants were able to include own business ideas even if they have not been presented on the list elaborated by transforming perceived problems into solutions. Now it is time to screen those three project ideas in order to pre-check their feasibility.

(2) Invite them to identify criteria for the further selection process which should bring us to only one project idea. Note their proposals on ZOPP cards (including their symbols). Probe into the different arguments which back up their respective conviction. If required, guide them into the direction of the four criteria used in the micro screening process. Laud their efforts, particularly when the results correspond to the expected outcome. Distribute the prepared micro screen formats on flip chart paper and ask them to write their respective symbol on top.

Then, suggest to take two examples from their pre-selected businesses (macro screen) and tell them that you will now check criterion after criterion in order to make the screening process crystal clear. Note down both business examples into the left column and explain the rating process.

The rating takes place on a scale of 0 to 5; "0" indicates the non availability of demand (i.e. no demand at all) whereas "5" stands for an availability at all times without any exception (extremely high demand throughout the year without seasonal and other fluctuations). Make clear that the extremes "0" and "5" should only occur in rare cases as they are really exceptions. Usually, the rating is in between "1" and "4".

(3) Invite them with these explanations to proceed to the first criterion (solvent demand). Let them explain what solvent demand really means to them. Rectify if required and then proceed to the rating including an intense discussion regarding the pros and cons for different ratings.

Demand (symbol: some people): clarify that the market determines success or failure of any project idea – if there is no buyer (or not a sufficient number of buyers) there will be no sales; explain that there is a difference between a need (which might not be satisfied due to lack of financial resources) and a solvent demand. Example: everybody would like to have a car but there are only a few people who can afford to buy one.

- (4) After this criterion seems to be properly understood, invite them to rate it for their three project ideas. Those who can't write a few letters are asked to use symbols for their different project ideas. The co-facilitators move around in the training hall and check the individual ratings; they counsel if required.
- (5) The following criteria are treated in the same manner: general introduction with their understanding of the respective criterion and joint rating of both examples on the ZOPP board before they proceed to an individual rating of their project ideas. In the following, some general guidelines for the different criteria are provided:
- *Availability of raw materials* (symbol: puzzle): reiterate that any entrepreneurial process need an inflow of raw material which is either transformed into another product (production) or utilised in the provision of services or simply sold at a higher price (trading). If all the raw material required is readily available throughout the year, then rate high, but if there are shortcomings or seasonal fluctuations then the ratings is respectively lower.
 - *Availability of personal skills* (symbol: two hands): assess yourself in how far you possess the required skill manually; if not, then an employee (additional costs = reduction of profit!) would be needed as a helper. If the required skill can be masterly performed, there should be a high rating, if it is low or non existing, then rate low.
 - *Availability of financial resources* (symbol: man with bank notes): For every business some seed money is required to purchase the required raw material or other inputs. Instruct them to utilise "5" if they think they own all the money required (equity) to start the process and to mark "0" if they don't avail of anything in cash (or as savings).

At the end of this process ask them to add up all the ratings per project idea and write the totals into the respective column.

Encourage questions for a better comprehension and indicate that the facilitators in the room will provide a helping hand.

- (6) Reveal the right part of the micro screen chart which deals with competitors. Ask them in how far competitors play a role in project designing. *Elicit that the higher the number of competitors the less likely my products can be sold, or tough competition contributes to reducing prices (undercutting) which leaves every entrepreneur with less income than anticipated and ultimately results in a process where lots of enterprises have to close down.*

If required, insert a brief demonstration at this point in time in front of the group which illustrates the shrinking of the solvent demand when the number of competitors increases: two facilitators with 30 Taka each (i.e. total of 60 Taka) representing the purchasing power) stand opposite one participant who represents one seller (any product). Ask the participants how much money a seller without competitor could possibly earn (60 Taka). Call on another participant to represent a second seller (average earning: 30 Taka), a third seller (average earning: 20 Taka) until a sixth seller comes in (average earning: 10 Taka).

Explain that the rating is done in the same way, i.e. the more there are competitors the higher the score. Inquire from them in how far the increasing number of competitors will influence their businesses. *Elicit that there will be a negative impact in the sense that income will decrease.* Result: if the rating is high ("5") for many competitors how should this be seen in relation to the score already obtained. Let them cite that there is a negative impact, hence this number will have to be deducted from the previous score in order to come to a corrected total.

Ask the participants to work individually on this issue; the co-facilitators will be again there to give a helping hand.

- (7) Let all the participants explain their project selection to the others by coming to the ZOPP board to defend their ratings; encourage the other participants to ask questions and to critique the arguments. Make sure that this is understood as a positive feedback with the objective to learn and not as critiquing for the sake of critiquing only.

Caution : The rating process may be too abstract to the participants.
The participants may be too shy to criticise the co-participants' presentations.

Hints : Find examples to illustrate the rating process.
Ask relevant questions to better comprehend the participants' explanations during the presentation phase with the objective to make them reflect about their own – assumptions in business planning.
This exercise is centrally important so that the given time frame should be extended if necessary. Critiquing by their co-participants will enhance reflections on the different project ideas more than any interventions from the facilitators' side.

Variations : Not yet known for this target group.

Processing : How do you feel about having tested your intended projects against some important success indicators? (*Let them not have the impression that these criteria provide already an ultimate answer*)

to all their questions but just a more concrete idea about market chances. There is still much more to learn about market mechanisms during the next days, hence the products identified serve just as a possible entry point).

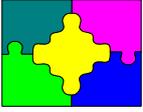
Apart from the indicators applied, are there any others which you can imagine to be of some value for your final product identification? *(Let them freely express their ideas and note them on flip chart. Discuss them one by one: make sure that there can be many more indicators, product-specific as well as market-specific ones but those used during the Micro Screening process have proven to be most useful. Eventually, mention the killing assumptions which might hamper the whole business although all other indicators applied in the rating are extremely positive. Example: handicraft products: the middlemen seem to be the market to the producers but in reality the customers overseas stand for the solvent demand; if anything happens in these countries such as economic crisis, etc. then suddenly the middlemen are no more interested to buy so that the enterprises will die off!)*

Explain to them that the Micro Screening has brought the “Product Idea Generation” process to an end, and that the next step consists of understanding more in detail how the market actually functions. The market is the general expression for the place where their products are sold. There are some “basic laws” and “mechanisms” which govern interactions at the market; and these need to be identified before any further decisions on going into business can be made. Remind them that it’s finally the market (solvent demand) which determines success or failure of a project so that this issue needs more considerations in detail. Their assessment of the solvent demand has just expressed their personal assessment without having valuable details and hard figures (interviews, opinions, statistics, etc.).

Annex 1

MICRO SCREENING CHART

Name: _____ / Symbol: _____

PROJECT Good / service or trade	Availability of a solvent demand	Availability of raw material	Availability of skills	Availability of financial resources	TOTAL
					TOTAL
	(+)	(+)	(+)	(+)	(=)

Evaluation criteria: 5 = excellent / 4 = good / 3 = average / 2 = fair / 1 = poor / 0 = not existing

You may also apply a rating scale consisting of 5, 3 and 1 (and 0 respectively), if you are convinced that your target group will do better if there are less options.