

## Part 3. Sources for Further Reading





## 1. Background Paper: Gender and Entrepreneurship Together: GET Ahead for Women in Enterprise

### 1. The Enterprise Life Cycle from a Gender Perspective

#### 1.1 Introduction

Women create their own businesses for a wide variety of reasons. In the GET Ahead training, you will meet mainly two groups of women entrepreneurs, namely:

- Women entrepreneurs who provide for their subsistence or out of tradition. These women have to cover the basic needs of their family and do business 'as a last resort' (sometimes called 'survival entrepreneurs').
- Women entrepreneurs of the 'new' or 'modern' type. These women have chosen business as a career, and they are using their skills, and competencies at their own conscious choice (sometimes called 'growth-oriented' entrepreneurs).

The life of an enterprise can be compared to the life of a person, a river or a tree. This model is known as the Enterprise Life Cycle (ELC). During training or any other business development activity, the Enterprise Life Cycle approach can make people aware of the different business activities that occur during each of the stages. It can also prepare business owners for what is likely to happen at later stages of the life cycle. This paper outlines the steps of the Enterprise Life Cycle and examines the particular gender aspects (or interfaces) that are likely to arise at each of the stages.

### 2. The Stages of the Enterprise Life Cycle (ELC)

#### 2.1 The planning and preparation stage

In general, women face more difficulties than men throughout the whole Enterprise Life Cycle. One of the most difficult periods facing women entrepreneurs tends to be at the planning and preparation stage. This first stage is often characterized by the following features:

- Women tend to have more restricted **choices of business** compared to men. This is due to a number of reasons:
  - Women generally have access to a narrower range of education, training and skills opportunities, particularly in the field of technical skills, because in many societies technology is not seen as appropriate for women from their earliest years at school.

- Conflict arises because of the many demands on women's time. They have income-earning duties (often referred to as productive roles) and they need to do most of the unpaid duties, looking after the household and family care (often referred to as reproductive roles). This limits their opportunities in choosing the type of business and the number of hours they can work in it. Also, because of their multiple responsibilities, women are usually more cautious in calculating business risks as compared to male entrepreneurs because they balance the risks to the business with the risks to the family.
- There are dominant stereotypes about 'female' business activities. Sometimes, people show disrespect and make it difficult for women to succeed in men's jobs and businesses.
- At the early stages of starting a business, many women lack self-confidence, resources and contacts to exploit opportunities quickly and effectively, even if they know such opportunities exist just like men.
- There are often additional mobility restrictions for women because of cultural norms and personal safety considerations.
- Women often face obstacles when trying to get **family support** for their business launch. This can be for a number of reasons:
  - There are expectations that women perform reproductive roles exclusively and that they should behave 'properly' as women within the home, family, community and society.
  - The idea of women in business conflicts with the notion of men being seen as the main breadwinners. However, this idea is not in line with reality given that there are many female-headed households and many women actually earn more than men, especially if they have a successful enterprise.
  - There is still a lack of acceptance of women in business. Their interest in business may be viewed and disregarded as 'hobbies' by family members.
  - The business success of women entrepreneurs may lead to jealousy. Envy is sometimes shown by family members.
  - There can be misuse of the money brought home by women entrepreneurs. Women's business success can sometimes lead to a decrease in contributions by men in their households. In some cases, men may even give up working completely, or may want to take over the business.

- Many people underestimate women's capacity and ability to run a successful business.
- A general fear of failure faces many women entrepreneurs: When a man fails, it is due to the business environment. When a woman fails, it is because she is a woman!
- Women in many countries face difficulty in having **access to and control over resources** for their business because of a range of factors:
  - There can be legal and customary or traditional restrictions on women's ownership of, and control over, physical assets such as land and premises.
  - There can be limited employment opportunities for women in the formal labour market, resulting in fewer opportunities to save money for a business investment, and less exposure to business contacts, networks and experience.
  - Women have limited access to finance and related financial advisory services due to various legal and customary restrictions on women, most importantly their lack of property and thereby lack of collateral for loans.
  - It is not easy to access business information from suppliers, subcontractors or business services suppliers because women are often not perceived as entrepreneurs and decision-makers by these actors, most of whom are men in many societies.
  - Women have the additional role of catering for day-to-day expenses and looking after the basic needs of their family. Business resources may be used for family survival, sometimes to the extent that the business is unable to survive.
- Women face difficulty in joining **business networks** due to the following reasons:
  - They may have little previous experience in the particular industry or sector of their choice. As a result they may have difficulties in accessing established networks of suppliers, competitors, customers and other business industry associates, as well as associations.
  - Women are often excluded from male-dominated formal and informal networks (for example, business chambers, sport clubs or karaoke bars).

## 2.2 The launch or start-up phase

- Women entrepreneurs have to know and decide many things when starting their business:
  - Where to locate the business: in a market or industrial area or at home? Many women have a business close to or at home because they can then combine household and family care more easily with income-earning.
  - How to mobilize resources, including finance for their business? Women entrepreneurs need to be aware of all sorts of formal banking facilities as well as services by non-banking financial institutions such as micro-finance schemes or credit unions. They need to be aware of the borrowing requirements.
  - How to formally register their business operation and what are the benefits of registration? Women must know about current laws and regulations affecting their trade, e.g. health requirements for food-processing. At the same time, they must also know about registering the business, its name and its ownership. They need to be aware of their rights to protect themselves and their business from discriminatory or unlawful practices.
  - Where to obtain the necessary information about their market(s)? They should know about potential suppliers (names, terms of business, ordering procedures). They should also know how to estimate their market size (potential customers). Information-seeking requires a good deal of self-confidence, communication skills and persistence in establishing contacts with local suppliers and customers, bank managers and local officials.
- Women entrepreneurs have to make practical plans to be able to leave the home, and their household and family tasks when they need to look after their business. This could include:
  - Planning for appropriate child-care facilities (e.g. obtaining assistance from family members; government or private child-care facilities).
  - Taking account of any major events in her personal or family life that might make it difficult for her to concentrate on business activities (for example, jobless husband; serious illnesses, such as HIV/AIDS; elderly parents; young children). Many first-time women entrepreneurs will begin a delicate balancing act which involves managing both family and enterprise activities, and separating family cash from business money.

### 2.3 The growth and expansion stage

The possibility of growing one's enterprise is a choice and an option open to many women entrepreneurs. However, there are some women entrepreneurs (more so than men, it is commonly believed) who are comfortable with their current level of operations and do not aspire to grow. They have achieved what they wanted, and they see that as success in itself. A growth orientation should not be imposed on these "successful" women entrepreneurs, nor should their success be diminished in any way through comparisons with those who want to grow their business.

Once the business starts functioning and shows signs of success, it should become easier to manage. This can be because the attitudes of others become more supportive both in the family and community circles. Some of the obstacles experienced by a woman entrepreneur may become lower once she acquires a good reputation and gains respect from customers and peers in the same industry (suppliers and competitors), as well as from her family and community. However, it is also true that as the business grows, jealousy and harassment from other businesspeople and from officials (especially men) can occur. In addition, the increased profile and (presumed) increased wealth of the woman entrepreneur who is experiencing success and growth, may lead some male family members to want to take over the business and maybe even take it away from her. They can react by taking control, by withdrawing their contributions to household income, or by giving up their work completely. This would result in placing added burdens on the earning power of the woman entrepreneur.

As the enterprise grows, the woman entrepreneur may find that it is no longer feasible to locate her business at home. She might have to acquire or rent special work-space or retail space in a commercial area. She will also find herself in a situation where she needs to employ and manage workers, maybe for the first time. She will encounter new challenges in recruiting and managing these workers, as well as in meeting the weekly or monthly expenses for paying wages and salaries.

Many women are reluctant to grow or expand their businesses, if this conflicts with their reproductive roles. Women are said to be more risk-averse than men due to the way they balance risks in the business with the risks to the family. Keeping the business small is often perceived negatively as so-called 'low growth' or 'no growth' enterprises. Advisory and financial support agencies often give biased appraisals, such as: 'it is not worth supporting this business, it is for survival only...'. But women often consciously plan to have a business of a manageable and comfortable size where risk can be minimized and where accumulated family resources and wealth are not over-exposed. Even where they are in a position to expand, many women entrepreneurs wish to do so only in such a way that they are able to balance their business and other interests in life.

However, there is an increasing body of evidence that demonstrates that women's enterprises are growing at a faster rate in terms of turnover, profits and employment than male-headed enterprises. Much of this evidence is coming from countries such as Canada, Europe and the United States, where the playing field for women entrepreneurs is more equitable – even though they are still likely to experience bias in their business dealings. This can be due to the 'glass ceiling'<sup>1</sup> phenomenon, in other words, gender-biased behaviour against women as business managers and bosses.

At the growth and expansion stage of their business, women entrepreneurs are likely to experience a range of both positive and negative factors, including some of the following:

- People become more supportive once they see a businesswoman is doing well.
- Other businesspersons might become more ready to accept them as equals and, as a result, give them more respect.
- Support networks and associations of women entrepreneurs can play an important role in assisting the woman as her business experiences growing pains.
- The chances of getting financial support increase.
- Difficulties in getting financial support can remain as the negative attitudes towards women in business will not be completely overcome.
- When women juggle with their parallel roles as entrepreneurs and mothers or homemakers, male partners and children might complain they are being neglected. A very busy lifestyle can result in health problems and mental/psychological stress.
- Male partners could withdraw their support, or even become antagonistic, as they see their wife's success as a challenge to their status as the household breadwinner. There might also be jealousy shown by male family members.
- Some men operating similar types of business could become jealous at the success of the woman entrepreneur, and they could insist on excluding her from the existing business and social circles, which are often male-dominated.
- Some people might spread rumours that the successful woman entrepreneur has succeeded by using her sex to obtain favourable treatment. Or, she may be treated as 'unsexy', frigid and hysterical because she takes things (too) seriously.

#### 2.4 The maturity stage

At this stage, the woman entrepreneur will have achieved a considerable amount of success. She will have established her business and seen it grow over a period of time. She will have gained acceptance among the business community with suppliers, customers, competitors and other businesses. She may have joined a business association, such as an employers' organization or an association of women entrepreneurs.

Some women entrepreneurs, at this stage, may also become active in encouraging and supporting other women to start a business, through their involvement with women entrepreneur associations, or by providing mentoring services. They may also act as a positive role model to inspire other women.

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<sup>1</sup> Wirth, Linda: Breaking through the glass ceiling. Women in management. ILO 2001

However, women entrepreneurs may also need to reassess their business operations and take stock of their enterprise's progress and growth, so as to decide how they would like their future to be: Do they want the business to stay the same, grow further, or diversify into other types of enterprises? They might also have to review their public and private roles, as well as the state of their balancing act between their productive and reproductive roles. They may need to think about succession strategies for their business, by incorporating their daughters and sons as well as other family members into their plans with a view to wind up their own involvement in the business at some future date.

### 2.5 The decline or 'rebirth' stage of the business

When business begins to decline, it is crucial for women entrepreneurs to have knowledge and awareness of the availability of the full range of choices and options, other than staying in the business. Business trainers, advisors and counsellors who provide business development services (BDS)<sup>22</sup> should assist those women entrepreneurs who fail in business even at a mature stage, so that they can maintain their self-confidence - a business liquidation can occur to everybody! Help will often be needed with the identification of other viable options for income generation, such as wage employment or a new business opportunity.

Women entrepreneurs who fail often receive different reactions and treatment as compared to unsuccessful businessmen. When women fail in their business, people tend to think that it demonstrates women's inability in business in a generalized way – the 'we told you so' type of reaction. Although a businesswoman can become a respected role model if she succeeds (often with comments such as 'an excellent businesswoman and at the same time devoted wife and mother'), she also can be used as a bad role model if she fails. Businesswomen are rarely seen purely in terms of their achievements: their sex matters in many people's eyes and they end up being treated as representatives of the female sex. By contrast, when a man fails in business, a list of legitimate business excuses for the failure is regarded as acceptable, citing 'poor economic conditions' as the reason for closure.

## 3. Good Practices in Women's Entrepreneurship Development

### 3.1 Role models, counselling and mentoring

- Role models: Successful businesswomen are not only encouraging examples for other potential businesswomen, but can also influence other people to give support. For example, a businesswoman who has grown-up children with decent education and careers can demonstrate to women and men alike that having a business does not mean neglecting one's children. In Sri Lanka, for example, the ILO has assisted in a video programme on women entrepreneur role models entitled "If they can do it, I can too", to be used as a promotional and a training tool. Role models are important as they can help women to be able to break out of stereotypical gender roles, such as staying at home, or only being involved in feminized economic activities, such as cooking and tailoring.

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<sup>2</sup> For more information on BDS, see <http://www.ilo.org/dyn/bds/bdssearch.home>

- **Counselling and Mentoring:** Personal counselling is usually provided by established women entrepreneurs to women who want to start a business, or by senior women managers to younger ones. Counselling and mentoring offer an opportunity to less experienced or insecure women who can talk to very experienced and self-fulfilled women (often retired) in a systematic manner, working through the problems and dreams that the emerging businesswomen will probably have. For example, such services are provided in India, by the Association of Women Entrepreneurs of Karnataka (AWAKE), or in Jordan by the Business and Professional Women Association (BPWA).

### 3.2 Building women entrepreneurs' self-confidence

Internal barriers to women's entrepreneurship can sometimes be as significant as external ones imposed by the family, the local community and society at large. Women sometimes doubt their own capability in business and lack the self-confidence to speak out, stand up and start their own enterprises – even when it is their greatest desire. Most of the time women's restricted access to education, skills and work experience has a negative impact on their self-confidence. If a woman does not have the practical skills needed for business, some form of support in skills and business training could give her self-confidence a boost.

In order to build up their self-confidence, (potential) businesswomen have to identify what they are lacking and work out how to fill any gaps. This can best be done step-by-step by identifying what is necessary at each level in the development of an enterprise, and making the necessary preparations before progressing to the next level.

From a longer-term perspective, girls grow up in a context of gender stereotypes in education curricula and school textbooks, as well as in their "choice" of academic subjects. Investment in the education of young girls is key to open a broader choice of occupations to women.

Exposing girls to a wide range of women entrepreneur role models (businesswomen), can help to develop a positive and acceptable image of entrepreneurship for young women. This might motivate them to go for higher levels of education and a broader range of skills training. If self-employment is described as an attractive, realistic and viable career option, young women would become more aware of entrepreneurship as a dynamic and fulfilling option in life – whatever course of action the girls and young women may decide upon in their future careers .

To this end, special initiatives to promote entrepreneurship for girls exist in some countries, targeting the parents as well as the girls and young women themselves. In the United States, for example, a project called 'An Income of Her Own' promotes teenage girls' aspirations for business. This is now known as Independent Means Inc. ('Girls, Money, Power ...'). The project operates summer work camps in entrepreneurship for young girls which includes extensive interaction with established businesswomen and role models (Kantor, 2001<sup>3</sup>).

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<sup>3</sup> Kantor, Paula, 2001: Promoting Women's Entrepreneurship Development based on Good Practice Programmes: Some Experiences from the North to the South, SEED Working Paper No 9

### 3.3 Reassessing the division of labour and power relations within the household

Women's work in the household is largely taken for granted, and its economic value is not recognized in the overall economy. As a result, women's multiple tasks are not considered as a real and additional burden while she develops and grows her business. In addition, in many societies, a man is considered as the head of the household and the chief breadwinner, even if he is unemployed. If his wife earns more than he, and is more successful, he might reject her as he perceives it as undermining his power.

Support for existing and potential women entrepreneurs needs to take account of the prevailing gender relations and traditional and cultural norms, identify significant barriers, and then work for the improvement in women's work and livelihoods. In microfinance for example, lending arrangements with women entrepreneurs can involve the spouse/partner in helping to understand the important contribution that the loan can make to the household and family (Tanzania).

Some development projects fail because they have not taken gender relations seriously. In one project in Indonesia, a group of women was supported to form their own cooperative and their own workspace. But, as the men became jealous of the extra demands that the cooperative made on the women's time, they burnt down their workplace. In another project in India, local women created a new enterprise in home-based production – without taking account of their existing reproductive and household workloads, or without altering the work contributions and responsibilities of the menfolk in the village. Their business was not successful as these women ended up being too busy to take on more work.

Husbands may assume less responsibility for the well-being of their family, and rely on their wives in this regard. Sometimes, out of resentment they might withdraw their contributions to the household income, especially when the wife begins to earn her own income. In other cases, husbands might try to take over the wife's business when it grows, even though they may have little or no business experience. Ideally, husbands and other male family members could become more involved in sharing domestic roles and responsibilities when the women are economically active. Therefore, it would be useful to involve male family and community members in training for women to make them more aware that a successful woman's business helps in improving the quality of life of the family and the community.

In many cases women entrepreneurs may get support for child-care from other family members or relatives, especially female members such as mothers, sisters and older daughters. In the Philippines, because of the extended family structure and the tradition of women's participation in economic activities, businesswomen have relatively easy access to assistance from other female family members. Whilst it may be a good thing that family members are supportive, this could also lead to children dropping out from school to fulfil these roles, especially in the case of girl children (DFID, 2000). In some countries domestic help can be employed at an affordable cost, thereby enabling the women entrepreneurs to pursue their business activities.

Many women choose entrepreneurship over employment outside the home to be better able to balance their work with their reproductive roles (Mayoux, 2001<sup>4</sup>). At the same time, however, working from home could cause problems, such as very long working hours without rest, and frequent interruptions to the work pattern. There are occasions where the spatial separation of work and home could be physically and mentally healthier.

There are many mechanisms that have been tested and that should be replicated further to assist women in establishing and running their own enterprises. The provision of childcare facilities, specialized incubator units to cater for the needs of emerging women entrepreneurs, the creation of women's business centres, and promoting groups, associations and cooperatives of women entrepreneurs can contribute much to improving the situation facing women in business. Where possible, these initiatives should be carried out in a manner that elicits the support and involvement of the husband and other family members.

### 3.4 Moving beyond traditional female roles

The experience of going to the market can be a completely new one, and can be a boost for the self-confidence of women. If they face mobility constraints due to cultural and personal safety reasons, going outside of the home for trading or business purposes could prove a real challenge. In the case of a women's microenterprise promotion project in silk-reeling in India, the husbands escorted and picked up their female partners to and from the bus stop so that they could go to the market (DFID, 2000). This was necessary because culture forbade them to have external contacts on their own. However, the husbands got tired of escorting their wives as they had to walk two hours in the night, and the men gradually took over the role of going to the market.

As an example of providing assistance to businesswomen in non-traditional sectors, CRASFORM (Italy) works on women's entrepreneurship in the architecture and building sectors. As these sectors are traditionally male-dominated, it mobilizes women architects and engineers who have had difficulty in finding jobs. It supports and promotes them in environmentally friendly building renovation (Kantor, 2001) It is also felt that many business opportunities exist in new and emerging sectors, such as information and communication technologies, as these sectors do not yet have any established gender-based patterns of employment, and they provide more genuine equality of opportunity for women and men.

### 3.5 Effective programmes of practical business support

Apart from training in technical and business skills, businesswomen need practical support such as counselling during the preparation of business plans or loan arrangements. Such support measures can take various forms:

- Start-up (incubator) units equipped with workspace, machinery and lower price structures for electricity and rent (for example the food processing support unit set up by AWAKE in India, or a cross-sectoral incubator in Kyrgyzstan that provides space and technical support for women businesses that hire unemployed women).

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<sup>4</sup> Mayoux, Linda, 2001. Jobs, Gender and Small Enterprises: Getting the Policy Environment Right, SEED Working Paper No 15

- Training and counselling services for women start-ups (example: the Women Entrepreneur Development Programme in Bangladesh, Karim, 2001; examples from the United States of incubator units mainly aimed at women entrepreneurs: Kantor, 2001).

In terms of training, many agencies have developed special training manuals on Entrepreneurship Development for Women (see list of references). The ILO has developed manuals and programmes aimed at rural women in micro-enterprise development in East Africa (Action to Assist Rural Women, 1996), or training of trainers programmes in several Asian countries (ToT manual translated for use in Indonesia, Pakistan, the Philippines and Sri Lanka, and in the Punjab in India).

### 3.6 Changing people's attitudes towards women entrepreneurs

When a woman starts a business, the most serious obstacle will often be the attitudes of other people to her business endeavours, including those of her own family members. Sometimes even her own perception of herself and her capabilities can be a problem. This includes the fear of not being taken seriously and a fundamental lack of self-confidence among many women, also arising from their low level of education, lack of technical and business skills, insufficient work experience, and also women's limited scope for self-expression in their society. Therefore, positive images of women entrepreneurs, both as individuals and as a collectively dynamic force in the economy, need to be developed.

Women's organizations can play an important role in promoting various aspects of empowerment, including contributing to their economic empowerment. In addition, education and training can be provided on other empowering issues and skills, such as literacy, legal rights, health education and HIV prevention, etc. In Cambodia, ILO's SEED Programme launched a project with the Ministry of Women's and Veterans' Affairs on the Integrated Economic Empowerment, Entrepreneurship and Employment for Women (NEEEW, Cambodia).

In business, there are many informal male-dominated networks within specific industries, and women are at a disadvantage because often they are not comfortable in joining these networks, or they are formally or informally excluded from them. This is why women's networks have become a sound and forceful alternative to many men's networks (examples: Women-net in Africa and Europe<sup>5</sup>). Such networks also form a channel to collect facts on the scale and scope of women entrepreneurs' business operations and demonstrate the extent of their contribution to economic development. In this way, the role of women as providers of business products and services can be fully recognized. The Centre for Women's Business Research in the US<sup>6</sup> has documented this contribution exceptionally well for several countries.

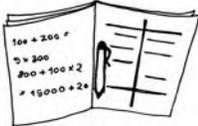
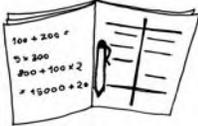
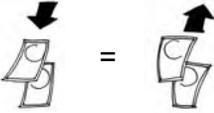
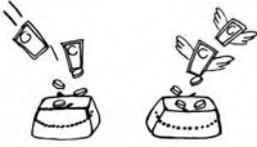
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<sup>5</sup> See for example Women's World Banking, <http://www.swwb.org/>, or the German site of women entrepreneurs organised as a cooperative: <http://www.weiberwirtschaft.de/pdf-files/summary.pdf>

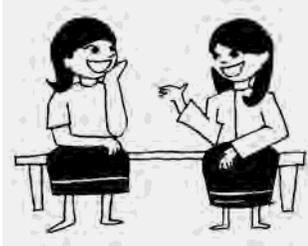
<sup>6</sup> <http://www.nfwbo.org/>



## 2. Quick Reference Guide: Business and Financial Terms

Symbol of Terms	Explanation of Terms
<p><b>Account</b></p> 	<p>A record of all of the transactions of the same type, such as the 'Cash Account' covering all transactions affecting 'cash in' and 'cash out'.</p>
<p><b>Balance</b></p> 	<p>Money left in the account after all transactions have been calculated.</p>
<p><b>Book-keeping = Record-keeping</b></p> 	<p>Entering all transactions into an accounting book or sheet.</p> <p>To keep business records means to write down:</p> <ul style="list-style-type: none"> <li>• how much money your business receives (money in)</li> <li>• how much money your business pays out (money out)</li> </ul>
<p><b>Business</b></p> 	<p>A small business is a business which is independently owned and is not the dominant player in its field. It may be registered or unregistered, formal or informal, micro or small. People set-up and operate businesses in order to produce products, deliver services and/or exchange goods and services for profit.</p>
<p><b>Business Plan</b></p> 	<p>A business plan is like a 'road map': it shows where YOU want the business to go, and what YOU as the business person need to get there. Business plans are prepared for systematic planning of all business activities, including its expected levels of sales (in units and selling prices); expected costs for buying, processing and selling these goods; and the costs related to the overall management and financing of a business. The business plan can be prepared for the benefit of the owner(s), as well as to support a loan application (e.g. with a Micro Finance Institution or a commercial bank).</p>
<p><b>Break-Even Point</b></p> 	<p>This is the point where your business produces no loss (deficit) but also no profit (surplus) yet! In other words, your fixed operating costs and revenues (e.g. income from sales) amount to the same.</p>
<p><b>Cash Flow</b></p> 	<p>Money going into and out of a business. Making a Cash Flow Plan of your business transactions for a specified period (a month, three months or a year) is a tool that shows you the amount of cash coming in and going out of your business. As a forecast, it shows you the expected cash situation (surplus or deficit) at the end of a certain period, and alerts you in advance to situations where extra cash might be required.</p>

<p><b>Costs</b></p> 	<p><b>Start-Up Costs:</b> Costs that you only make once to get your business off the ground</p> <p><b>Operating Costs:</b> What you require to make your business run on a day-to-day basis. Two main types are:</p> <ul style="list-style-type: none"> <li>• <b>Fixed Costs:</b> Costs that you have to cover irrespective of the number of products or services provided (e.g. rent of work space; monthly fees for basic electricity or phone usage; salary for regular employees).</li> <li>• <b>Variable Costs:</b> Costs that vary directly with the quantity produced (e.g. raw materials, use of water, electricity).</li> </ul> <p>Costs are also often broken down as follows:</p> <ul style="list-style-type: none"> <li>• <b>Production Costs</b> Raw Materials; Production Expenses (e.g. Electricity for production, Transport of materials, Rent of work space, Water, etc.) Labour Costs</li> <li>• <b>Management Costs</b> Rent of offices and selling space, Electricity for administration, light &amp; heat, etc.; phone bills; Insurance fees, etc. Entrepreneur's Salary (covering administration, management and selling activities) Administration and other Fees</li> <li>• <b>Selling Costs</b> Advertising, Publicity, Promotion, Special Sales, Commissions, etc.</li> <li>• <b>Financial Costs</b> Interest Rates that the bank charges on a loan, Transaction Costs that you spend to apply for the loan and receive monthly instalments,</li> <li>• <b>Depreciation</b> of Machinery, Equipment and Tools (see definition below)</li> <li>• <b>Direct Costs</b> Direct costs that can be assigned to a specific activity, for example the direct costs for producing goods, or the direct costs for selling those goods. Labour costs are direct costs when they refer to the specific activity in production or service.</li> <li>• <b>Indirect Costs</b> Indirect costs refer to general expenses of doing business, such as administrative costs. They are generally not related to the operating expenses of production or assembly of a production or service item. Profit also is an indirect cost. Labour costs are indirect where they occur for general management or accounting of the business as a whole.</li> </ul>
<p><b>Creditors</b></p> 	<p>Those to whom the business owes money (also known as 'payables')</p>
<p><b>Debtors</b></p> 	<p>Those who owe the business money (also known as 'receivables')</p>

<p><b>Depreciation</b></p> 	<p>The loss in value through usage of expensive machinery, tools or other equipment which last for a long time. Depreciation is a cost to your business as you will have to replace these items when they become too old and/or break down.</p>
<p><b>Enterprise</b> <b>Entrepreneur</b> <b>Entrepreneurship</b></p> 	<p>See also 'Business' – definition above</p> <p>An entrepreneur is a person who pioneers change and exercises a high degree of the Top Ten Traits for success, also called the Personal Entrepreneurial Characteristics (PECs) identified by international researchers (see the Top 10 Traits in exercises 5 and 7). Usually, anyone who wants to work for herself or himself is considered to be an entrepreneur. This person is the one who organizes, manages and assumes the risks of a business or enterprise (Merriam-Webster Dictionary).</p>
<p><b>Expenses</b></p> 	<p>See 'costs' (definition above), expenses associated with the running of the business, normally covering production expenses, administration and management expenses, selling and distribution expenses, and financial expenses.</p>
<p><b>Feasibility Study</b></p> 	<p>A Feasibility Study is research to find out if a business is a viable option or not. It includes the following steps:</p> <ul style="list-style-type: none"> <li>• choosing a product or service to make or sell (business idea)</li> <li>• finding out whether people will buy it and at what price (market research)</li> <li>• determining how the business will operate (organization and management, technology and production)</li> <li>• calculating business expenses (finance)</li> <li>• deciding if the idea is economically and commercially feasible (and likely to be profitable).</li> </ul>
<p><b>Income or Revenue</b></p> 	<p>The income or revenue of a business is the cash coming into the business, mainly from sales of products and services, including trade. <b>Income is not profit!</b></p>

<p><b>Investment</b></p> 	<p>A purchase of a good is an investment when it is intended for the long-term development and expansion of a business. It can include land and buildings; machinery and equipment or vehicles. Investment can also mean 'investing in education' to improve your skills, knowledge and scope for personal growth.</p>
<p><b>Loss</b></p> 	<p>When all costs and expenses relating to the running of the business are greater than all of its income and revenue, the difference is at a loss. No business can continue to make losses over a long period.</p>
<p><b>Marketing Ps</b></p> 	<p>Marketing is defined by what you need to do in order to reach your clients (customers) and make a profit. The 5 Ps of marketing are:</p> <ul style="list-style-type: none"> <li>• the product or service that you sell</li> <li>• the price that your clients are willing to pay</li> <li>• the place where you can reach your customers best</li> <li>• the promotion that informs and attracts customers</li> <li>• the person, yourself, the business owner and guarantor of quality and service satisfaction.</li> </ul>
<p><b>Profit</b></p> 	<p>When the income of a business from its sales is greater than its costs and expenses, then there is a 'profit' or surplus. Businesses need to be able to make profits so they can develop and grow. The 'profit' belongs to the owner(s) of the business who may re-invest parts of it in the business rather than fully withdrawing it. Profit can also be divided into value added and net profit. Profit is not the same as cash, and not the same as income.</p>
<p><b>Profit &amp; Loss (P&amp;L) Statement</b></p> 	<p>The P&amp;L Statement is a calculation of finding out how much profit or loss your business has made over a specified period. The total cost is deducted from the total income and this gives the profit or loss over a certain period (one month, six months, or usually 12 months).</p>
<p><b>Profitability</b></p> 	<p>The simplest way to explain profitability is the 'ability' of a business to make 'profit'. It is related to the amount of profit that the business makes on each product or service that it sells, and to the speed with which a business can convert its costs into sales.</p>

<p><b>Savings</b></p> 	<p>In a business sense, the savings are the amounts of cash earnings that a business does not need for its day-to-day operations. Any cash savings can also be put to work for the business. If the cash is not required in the short-term, it should be placed in a saving account (or similar secure facility) where it can earn interest. This interest will be added to the income of the business regularly. Savings can also be kept in kind in the form of jewellery or livestock.</p>
<p><b>Transaction</b></p> 	<p>This is any exchange of money (or value) for goods or services. See the definitions of accounts and book-keeping above.</p>
<p><b>Vouchers</b></p> 	<p>Vouchers are a written proof of a transaction, even for small amounts such as postage stamps or cash sales of low value (also called receipts).</p>
<p><b>Wages</b></p> 	<p>These are the payments that are made to workers (full-time, part-time, casual) for their labour, involving activities, such as, production, transportation, selling and distribution, administration. Wages also include the cost of insurance, maternity protection, pensions and other forms of social protection for workers. The term 'salaries' has the same meaning as wages, but it is commonly used for jobs in offices.</p>



### 3. Sources: Publications and Web Links

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## 1.2 Start and Improve Your Business Training Materials (SIYB), Viet Nam and Geneva

### 1.2.1 Start Your Business (SYB) Training Materials<sup>1</sup>

Name of book/ material	To be used by/for:	Available in:
Business Awareness handbook*	To be used by facilitators and entrepreneurs as training material during Training of Entrepreneurs workshops on SYB business awareness.	Vietnamese (VN) English (ENG)
Business Planning handbook*	To be used by facilitators and entrepreneurs as training material during Training of Entrepreneurs workshops on SYB Business Planning.	VN/ENG
Business Planning work book*	To be used by facilitators and entrepreneurs for training exercises during Training of Entrepreneurs workshops on SYB business planning.	VN/ENG
Business plan	To be used by facilitators and entrepreneurs for developing business plan during Training of Entrepreneurs workshops on SYB business planning.	VN/ENG
Rural SYB handbook*	To be used by facilitators and entrepreneurs as training material during Training of Entrepreneurs workshops on SYB (business awareness and business planning) for rural non-farming small business owners.	VN/ENG

<sup>1</sup> Publications marked with \* were screened for GET Ahead for Women in Enterprise

### 1.2.2 Improve Your Business (IYB) Training Materials

Name of book/ material	To be used by/for:	Available in:
IYB Basics handbook* (All IYB modules in one reader, except Managing People)	For managers of Partner Organizations (POs) or persons with general interest in the content of IYB training material	ENG
Buying	To be used by facilitators and entrepreneurs as training material during Training of Entrepreneurs workshops on IYB or to be integrated by organizations as a separate module into their regular training programmes for their target groups.	VN
Stock Control	As above	VN
Marketing	As above	VN
Costing	As above	VN
Record keeping	As above	VN
Managing People	As above	VN/ENG
People and Productivity	As above	VN/ENG

### 1.2.3 Trainers' Guides

Name of book/ material	To be used by/for:	Available in:
SYB Programme Implementation Manual*	To be used by facilitators before, during and after a Training of Entrepreneurs workshop on SYB Business Awareness and SYB Business Planning	VN/ENG
IYB Programme Implementation Manual	To be used by facilitators before, during and after a Training of Entrepreneurs workshop on IYB (or to be used for specific IYB module) in relation to the modules: marketing, stock control, buying, costing and record keeping.	VN/ENG

Trainers Guide for IYB Managing people	To be used in addition to the IYB Programme Implementation Manual. To be used by facilitators before, during and after a Training of Entrepreneurs workshop on IYB (or to be used for the specific IYB module on managing people only)	VN/ENG
Trainers Guide on People and Productivity (P&P)	To be used in addition to the IYB Programme Implementation Manual. To be used by facilitators before, during and after a Training of Entrepreneurs workshop on IYB (or to be used for the specific IYB module on P&P only)	VN/ENG
Rural SYB Trainers Guide	To be used by facilitators before and during a Training of Entrepreneurs workshop on SYB (business awareness and business planning) for rural non-farming small business owners.	VN
Master Trainers Guide for SYB TOF	To be used by Master Trainers before and during a Training of Facilitators workshop on SYB Business Awareness and SYB Business Planning	VN/ENG
Master Trainers Guide for IYB TOF	To be used by Master Trainers before and during a Training of Facilitators workshop on IYB	VN/ENG
Master Trainers Guide Marketing the SIYB programme	Manual for Master Trainers on how to deliver SIYB marketing workshops for POs/facilitators.	ENG/VN
Master Trainers Guide for Advanced Facilitation Skills Training	To be used by Master Trainers before and during a Training of Facilitators on facilitation skills	VN/ENG*

### 1.2.4 Consultation and Training Support Tools

Name of book/ material	To be used by/for:	Available in:
Directory of Advice & Assistance available for: <ul style="list-style-type: none"> <li>• South Viet Nam</li> <li>• Central Viet Nam</li> <li>• North Viet Nam</li> </ul>	To be used by staff, facilitators and Master Trainers of the Viet Nam Chamber of Commerce and Industry (VCCI) to use during and after the workshops for both facilitators and entrepreneurs, for use of reference to existing business development services in Viet Nam.	VN
How to get a small business loan	To be used by facilitators to distribute among trained SIYB entrepreneurs, for practical and simplified information on loan applications	ENG/VN
Consultation guide on credit programmes and banking	To be used for consultation by VCCI staff, facilitators and Master Trainers for better understanding of credit needs for entrepreneurs and small scale credit systems	ENG/VN
Manual on After Training Support	To be used by facilitators to use as a practical tool for the provision of accurate After Training Support of trained SIYB entrepreneurs	ENG/VN
Marketing the SIYB programme	Manual to be used as individual read and/or training material in workshops for facilitators on how to market the SIYB programme and create a demand for training.	ENG/VN
SIYB ice-breakers manual	Manual for facilitators to motivate the regular use of the so-called 'ice-breakers' or 'warmers' to be used in SYB or IYB training workshops	VN
Advanced facilitation skills manual	To be used as individual read and/or training material in workshops on facilitation skills development of SIYB facilitators.	ENG/VN
Master Trainers background readers	To be used by advanced trainers as background read on SME development issues, international best practices etc.	ENG/VN
SIYB Game	To be used by Master Trainers and facilitators to use during or after SYB or IYB workshops for better understanding and awareness of business operation in a competitive environment.	ENG/VN

### 1.2.5 SIYB Programme Management Manuals

Name of book/ material	To be used by/for:	Available in:
VCCI's SIYB Programme Management Manual (PMM)	To be used by VCCI staff working on SIYB and MTs; includes internal guidelines for planning and management of the SIYB programmes at national and regional levels.	VN/ENG
PO Manual (POM)	To be used by management of Partner Organizations (POs); includes guidelines for planning and management of SIYB programmes by POs	VN/ENG

### 1.2.6 IYB On The Air Materials

Name of book/ material	To be used by/for:	Available in:
Manual for Study Group Leaders	To be used by the study group leader to plan, prepare and facilitate the learning process in the study group during and after the radio broadcast	VN/ENG
Self-study Guide	To be used by study group participants, explains IYB on the Air and outlines the topics of the radio training programme	VN/ENG
Modern Management Manual	To be used by study group participants in the topic of modern management which was developed for IYB on the Air only.	VN/ENG
Improve Your Business On the Air Manual	To be used by VCCI and other social partners as guidelines on how to reach entrepreneurs with training in business management skills through radio and study groups. Explains how to set up and manage IYB on the Air as well explains how to produce a radio show for IYB on the Air	VN/ENG

#### Weblinks

<http://www.siyb.org.vn>

[http://www.ilosiyb.co.zw/training\\_materials.html](http://www.ilosiyb.co.zw/training_materials.html)

### 1.3 Training and Information on Business Association Building

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### **Weblinks on Safe Work**

WIN (Work Improvement Network) web: [www.win-asia.org](http://www.win-asia.org)

POSITIVE training programme: [www.jilaf.or.jp/English-jilaf/positive](http://www.jilaf.or.jp/English-jilaf/positive)

## **2. German Agency for Technical Cooperation (GTZ)**

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#### **Weblinks on Small Enterprise Development and Women in Business**

Inter-agency information exchange on Business Development Services:  
<http://www.ilo.org/dyn/bds/bdssearch.home> (including search link on gender)

Center for Women's Business Research: <http://www.nfwbo.org>

Women's World Banking, Changing the Way the World works,  
<http://www.swwb.org>

German site of women entrepreneurs organized as a cooperative:  
<http://www.weiberwirtschaft.de/pdf-files/summary.pdf>

ILO Information on Gender Equality Promotion, <http://www.ilo.org/gender>