

ProAgro: Support to micro-enterprises for sustainable agri-food sector development and employment opportunities in disadvantaged areas of Tunisia.



THE ENTREPRENEURSHIP TRAINING MANUAL

Release 2021

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Project information

This manual is an effective document specifically developed for the project “*Pro-Agro: Support to micro-enterprises for sustainable agri-food sector development and employment opportunities in disadvantaged areas of Tunisia*”, an initiative funded by the Italian Agency for Development Cooperation and led by ICU – Istituto per la Cooperazione Universitaria. The local partners are l’Agence de Promotion des Investissements Agricoles (Ministry of Agriculture-MoA) – APIA e la Italian-Tunis Chamber of Industry and Commerce- CTICI. Italian Partners are WE WORLD – G.V.C. ONLUS, University of Studies of Tuscia - Department of Agricultural and forestry sciences– DAFNE, Cattolica Sacro Cuore University, Piacenza - Department of Food Technologies for a sustainable food-supply chain - DiSTAS.

The project aims to play a part in the improvement of the living conditions of the rural areas of Tunisia, through the microenterprises' strengthening in the agro-food sector.

With the project, the micro-enterprises of the milk, vegetable, date, herbs, medicines and olive oil sectors of Beja, Kasserine, Kebili, Le Kef, Mahdia e Sidi Bouzid governorates, will improve their productive, transformation and commercialization skills and will be better integrated into the Associations of their sectors.

One of the first activities of the project is the enhancement of technical and management skills by DAFNE, DiSTAS and E4Impact of APIA trainers, who will provide training and coaching to micro-enterprises. The manual is therefore one of the outputs of the "training to trainers" on the development of business models, solutions and strategies conducted by E4Impact and addressed to APIA and AVFA members.

Acknowledgments

The Entrepreneurship for Impact (E4Impact) Foundation led the preparation of this manual. E4Impact Foundation is an initiative launched in 2010 by ALTIS – Graduate School of Business and Society of Università Cattolica del Sacro Cuore, with the aim of training impact entrepreneurs and start-ups on the growth of their businesses. To achieve its goal the Foundation, in collaboration with Università Cattolica and a local university in an African country, offers postgraduate programs (the Global MBA in Impact Entrepreneurship, International Certificate in Impact Entrepreneurship) that guide active and aspiring entrepreneurs to start or scale up their businesses, alongside/concurrently with an academic and business acceleration experience.

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The entrepreneurship training manual

1.1 About the manual

This manual has been developed for handling workshops, training and coaching sessions on Business Modelling, management solutions and strategies for Micro, Small and Medium Enterprises (MSMEs). It provides content and tools for training and workshops on Business Model Design, Market Analysis, Impact Measurement and Accounting for entrepreneurs. It helps trainers to prepare for their sessions, shows them how to structure the training, coaching and delivery with pedagogical and didactical guides to achieving the MSMEs learning objectives.

The manual doesn't provide rigid theoretical guidelines but logical frameworks and actionable tools to be easily used by trainers and entrepreneurs. Indeed, the target audience doesn't need pure theory but guidance on achievable solutions, decisions, and steps to be taken.

Moreover, when a training program involves a plurality of trainers, a manual with clear guidelines helps to maintain uniformity in the transmission of content and guides participants towards a unique final objective which is the development of business ideas (or enterprises) and the professional growth of the entrepreneurs.

1.2 Learning Objectives

The Entrepreneurship training manual equips trainers with a set of competencies and tools that allows them to:

- Analyze the learning needs of MSMEs;
- Develop workshops on how to design a business model, how to do a marketing plan, how to draft an Impact map, how to conduct Break-even point (BEP) analysis to make better decisions on the sales volumes and pricing;
- Share knowledge and methodologies to facilitate and conduct the workshop;
- Evaluate the learning results achieved by the target audience.

1.3 The target audience

This manual is addressed to the officials and technicians of the Ministry of Agriculture of Tunisia, specifically to the members of APIA and AVFA, but it can be used by anyone involved in the facilitation of capacity building programs for entrepreneurs and start uppers.

The trainer (or business coach) has a key role in the process of *managerial capacity building* of entrepreneurs and in the growth and scale path of a MSME. He/she transfers technical knowledge, apply it to concrete cases, gives directions to advance and finds solutions for development.

In order to better understand the presented contents and to implement the training sessions suggested in this document, the trainer should have the following profile:

Education	- Degree in business administration
Experience	- 2+ years in business or consultancy - Experience in business start-up is a plus - Experience in mentoring preferred - Experience and expertise in the agribusiness sector preferred
Hard Skills	- Business Modelling - Marketing - Financial forecasting
Soft Skills	- Drive and orientation to people - Networker
Motivation	- Passionate about entrepreneurship - Orientation to social impact preferred

The Training Process and Work Plan

2.1 The entrepreneur's profile

While participant groups tend to be diverse and heterogeneous, if all the selection criteria are considered, diversity is an important element that needs to be considered when delivering such training.

Different learning styles, backgrounds, preferences, and educational levels necessitate a need to integrate a diverse training approach that accommodates the different needs.

Once participants have been identified, it is advisable to obtain more information about their profile and their prior knowledge of business management: the trainer must know who the entrepreneur is and what challenges he/she is facing before meeting him/her in class or individually.

To do this the trainer should:

- Review the application form of the entrepreneur and analyze his profile (for ex. is he a would-be entrepreneur, a start-upper or an established entrepreneur?), the description of the project, the business stage, the turnover, etc.
- Requires the entrepreneur to list what challenges and opportunities he/she is facing and why.

2.2 The training activities

The table below details the suggested activities to be implemented by the trainer during his/her teaching or coaching sessions with entrepreneurs.

Activity	Description
A. Teaching	1. Transfer knowledge to participants
	2. Ensure the entrepreneurs understand theoretical models and tools
	3. Ensure entrepreneurs achieve the learning goals
B. Coaching	1. Ensures each entrepreneur tests and develops a full Business Model

	2. Ensures entrepreneurs use proper tools to undertake a solid market analysis
	3. Helps all entrepreneurs to build sound financial statements on Excel
	4. Corrects the assignments on the project of each entrepreneur

2.3 Preparing the training sessions

To make each session meaningful and effective, before starting it, the trainer should prepare the following materials and be ready to present them:

1. *For class teaching sessions:*

- a detailed agenda of the training session;
- the training materials and tools provided by E4Impact (slides, readings, international case studies, etc.);
- additional materials related to local context;
- examples (possibly local) of the entrepreneur's industries and sectors;
- exercises;
- assignment to be given at the end of the session.

2. *For Individual coaching sessions:*

- questions to better understand the challenges and opportunities listed by the entrepreneur;
- possible solutions to the challenges and opportunities the entrepreneur is facing;
- business contacts of service providers, suppliers, organizations, knowledge repositories and tools (including web-based) that can help the entrepreneur to address the challenges and exploit opportunities.

Note that the above lists include generic elements to be adapted to each specific situation.

2.4 Running the training session

Running a *class teaching session*, the trainer should:

- ensure that the agenda is followed with due flexibility;
- ensure that key points are understood by entrepreneurs;
- manage involvement and interaction among participants;
- divide into groups, appoint a spokesperson and make sure they advance uniformly.

During an individual coaching session, the trainer should analyze with the entrepreneur the challenges he/she is facing, possible solutions and opportunities to be seized.

A good coaching session is:

- individual (one-to-one);
- informal;
- implemented in a quiet place where the entrepreneur feels comfortable;

- not too long (30-60 minutes), unless the entrepreneur requires it;
- focused on challenges, opportunities, solutions and assignments;
- action-oriented in such a way that the entrepreneur perceives the improvements he/she is making and is aware of the milestones achieved so far.

2.5 Leaving the training session

At the end of the session, the trainer should propose to the entrepreneur an action plan and some work/development hypotheses to test out. The assignment could include the following actions:

- meeting third parties (stakeholders, partners, other entrepreneurs, etc.);
- testing the key business elements (BMC, Marketing plan, financial plan, etc.);
- scheduling by when they will review the changes and action items.

Before closing the session, the trainer should ensure that the entrepreneurs:

- have understood what to do for the next lesson;
- receive the material shared during the session.

Overview of the curriculum content

The Entrepreneurship training manual presents some key contents that trainers should share with entrepreneurs during workshops or individual coaching sessions. Each topic is structured in a course with several units. Trainers can give the whole course or select the most relevant units, based on the level of preparation of the entrepreneurs.

Specifically, the courses included in the handbook are the following:

- Business model design and impact measurement;
- Market analysis;
- Accounting for entrepreneurs.

The next paragraphs present a short description of the course, while the complete content can be found in "The trainer tool kit" (see Annex A).

3.1 The Business Model Design (BMC)

The course aims at providing entrepreneurs with a fundamental tool to design and validate their business models. This tool is the Business Model Canvas + (BMC+), which is an evolution of the Business Model Canvas developed by Osterwalder and Pigneur. The novelty of this model is the introduction of “impact”, the social and environmental benefits (and costs) generated by the new company.

The course delves into all the components of the Business Model Canvas + as follows:

- *Introduction to impact entrepreneurship*: creativity; innovation; quality of the impact entrepreneur.
- *Creating Value – Right Side of the BMC+*: designing a unique value proposition; finding and developing customers; attaining the product-market fit; choosing distribution channels; building effective customer relationships (getting, keeping and growing customers).
- *Managing Efficiency – Left Side of the BMC+*: identifying key activities to operationalize a business model; making or buying decisions; identifying key resources (Tangible, Intangible, Human and Financial); building the entrepreneurial team; choosing and developing partnerships.
- *Capturing Value – BMC+ Bottom-line*: developing the revenue model; pricing strategies; analyzing costs and choosing cost structure (variables and fixed costs); introduction to the Break-Even analysis; social-environmental benefits and costs; the value proposition statement.
- *Responsible Management and Impact Measurement*: introduction to SDGs and the Impact map;

Using the trainer tool kit and this manual, trainers will be able to guide entrepreneurs to:

- better **understand** what they could create, to challenge the existing business model and to find the ways to look for improvements;
- **formulate judgments** about what they were doing, or they were planning to do;
- **communicate** the uniqueness, the strengths, and the impact on their businesses.

3.2 Market analysis

The course aims at providing trainers and consequently entrepreneurs with a pack of fundamental tools to design and validate a marketing strategy. This pack includes tools to segment the market, define pricing and positioning strategies, conduct market research to validate hypotheses, and design distribution and communication channels.

The course illustrates all the components of the Marketing Strategic Plan + as follows:

- *Identification of Market Segment*: segment B2B and B2C markets; identify consumer behaviors; setting pricing and positioning strategy;
- *Marketing Strategy*: building the pricing, positioning, legitimacy strategies, and product policy;
- *Commercial Strategy*: building brand management, developing a distribution channels strategy; setting communication and sales strategies through mix of tools (physical and virtual channels).

Trainers will be able to guide entrepreneurs to:

- **develop** a proper, coherent and complete Marketing Plan for both internal and external uses;
- **acquire** crucial knowledge to identify, understand, and evaluate the market as well as set a marketing strategy to achieve goals;
- **innovate** and renew their businesses as well as define strategies to scale their entrepreneurial activities.

3.3 Accounting for entrepreneurs

The course aims at introducing entrepreneurs to the main financial statements (including Income Statement, Balance Sheet and Cash-Flow Statement), with a particular focus on the fixed assets required for the company operations. Moreover, the course aims at providing entrepreneurs with fundamental tools and methodologies to build a break-even analysis, including the analysis of costs and revenues, and the contribution margin analysis on Excel.

The course will delve into all the components of the Financial Statements and the Break-even analysis (BEP) as follow.

- *Introduction to Financial Statements*: introduction and principles of accounting; objectives of accounting in entrepreneurship; the financial statements: income statement, balance sheet, cash flow statement.
- *Focus on Fixed assets*: define the investment required in terms of resources and assets (e.g., machinery, equipments, trucks, fixtures, software, licenses etc.).
- *Revenues and costs analysis*: identifying the prices of products/services, analyzing them in relation to the channels, types of customers, geographical areas etc.; identifying the costs analyzing them as fixed and variable costs.

- *Contribution Margin and BEP analysis*: build the contribution margin/s for each product and service; understand the profitability of each product and service; build and analyze the break-even point (BEP) both for single-product companies and multi-product companies.

Trainers will be able to guide entrepreneurs to:

- **develop understanding** on how to conduct Break-even point (BEP) analysis to: (i) take better decisions on the sales volumes and pricing; (ii) better understand the initial investment amount, the volume of products and services to be produced/delivered to break-even; (iii) to challenge the existing financial situation and get deeper analysis on the contribution of each product/service to the overall company financial sustainability and profitability;
- **apply their knowledge** of the course tools to their businesses **and understand** the potential improvements in terms of investments to be done and the overall pathway toward income generation and a sustainable business;

The key milestones

The table below identifies the key milestones to be met by entrepreneurs during their learning path with the trainer. The trainer will monitor the achievement of the milestone by using benchmarks provided by E4Impact (for both service and product businesses).

Training Activity	Milestones
1. Ensuring that entrepreneurs test and develop a full Business Model (BMC)	<ul style="list-style-type: none"> - Strong value proposition - Solid product-market fit - Well-articulated offering - Clear competitive edge
2. Ensuring that entrepreneurs use proper tools to make a solid market analysis	<ul style="list-style-type: none"> - Customer profile needs - A measure of the market/volumes - Marketing strategies - Revenues/Pricing model
3. Helping entrepreneurs to build solid financial statements on Excel	<ul style="list-style-type: none"> - A strong Break-Even Analysis on Excel - A simple but solid Profit & Loss (P&L until EBITDA) on excel. (In the case of more mature entrepreneurs other financial statements can be evaluated)

Evaluation Criteria

E4Impact has identified a set of evaluation criteria and benchmarks for each milestone. They are useful guidelines for the trainer to monitor the improvement of entrepreneurs and to check the achievement of milestones.

Business Model Design

Milestones	Evaluation Criteria	Benchmarks
- Strong value proposition	<p>A value proposition can be defined as 'strong' when it meets the following criteria:</p> <ul style="list-style-type: none"> - Short and clear - Easy to understand - Relevant: explains how to address a customer need/market gap - Provides unique benefits and quantified value - Shows differentiating factors with competitors 	<p>Toto Health Business Plan (pages 10-11): the VP is presented in the "Business Overview" in a clear manner, with an explanation of the target audience (parents, about 7 million in Kenya with children under 5).</p> <p>Strauss Energy Business Plan (page 10). The VP is presented in 3 main points, showing the impact generated:</p> <p><i>“First, Strauss Energy makes its modern and unique roofing tiles cheaper than any other tile in the market, Secondly, Strauss Energy reduces the consumer's monthly electricity bills by up to 60% and thirdly, Strauss Energy evacuates the excess power generated back to the grid.”</i></p>
- Solid product-market fit	<p>It explains the market need and how the product can reach that need. The need should be quantified in terms of the value of market and the demand quantity.</p>	<p>Strauss Energy Business Plan (page 15-16): the market is described in the paragraphs “Solution” and “Value”:</p> <p><i>“Strauss tile targets both on-grid and off-grid schools, hospitals and homes to ensure light and power is provided for throughout the day, increasing productivity from school children, women working from home and industries running output. (...) The market includes both ongrid and off grid households. In 2013, there were 9,180,716 households nationally. This constituted 5,491,367 rural households and 3,689,349 urban households. Over 50% of the Kenyan population lives below the poverty line, or below \$3a month. The market size for Strauss tiles is</i></p>

Milestones	Evaluation Criteria	Benchmarks
		<i>approximately 4,590,358 households. The addressable market is roughly \$7.5 billion.”</i>
- Well-articulated offering	The offer of products/services is presented in bullet points, with short and direct descriptions.	Bubayi Ltd Business Plan (page 15): it explains the product divided into points 4.1 and 4.2, basing on the main product and the launch products.
- Clear competitive edge	The text should contain a clear description of the competitive advantage, clarifying skills, resources or other elements used to outperform the competitors	Farm Drive Business Plan (pages 8-9) describes the market and how to obtain competitive edge. <i>“Farm Drive reaches farmers by building a strong and experienced field staff, and developing distribution channel partnerships with input suppliers, market off takers, rural MFIs, and other businesses with strong rural reach.”</i>

Market analysis

- Customer profile needs	For each segments explains the customer needs in a clear and simple way, highlighting the characteristics identified for each customer as: <ul style="list-style-type: none"> - Behaviors - Culture - Age - Main need 	Bubayi Business Plan (page 19): the customers have been divided into two groups: <ul style="list-style-type: none"> - The primary customer - The secondary customer - tertiary customer <p>Each customer has been presented highlighting the key characteristics, the need, and the customer relationship with the company.</p>
- Marketing strategies	The Marketing plan should contain: <ul style="list-style-type: none"> - Promotional strategies - Communication channels - Price-related strategies - A plan to implement strategies 	Farmers Hope Business Plan (page 13): contains a well-done “Promotional strategy” and “Pricing strategy”. Strauss Energy Business Plan (page 18): it contains a well-defined marketing plan, with the indication of the steps to be performed, and the brand strategy.
- Revenues/Pricing model	For each product or service, a pricing model is well explained and includes: <ul style="list-style-type: none"> - a cost analysis (divided by variable and fixed costs); 	Core Business Plan (page 14): the pricing has been calculated starting from the cost analysis and has been presented divided by each product. An example of the prices:

	<ul style="list-style-type: none"> - an indication on how this price is positioned against the competition (up-end? low-end)? - an indication of how has been calculated the final price - an indication of the mark up for each product (if possible) - further consideration of the expected price growth in the future. 	<ul style="list-style-type: none"> - 5.40 ksh (plastic fencing) - 0.94 ksh (resin tiles) <p>The mark-up per each product is</p> <ul style="list-style-type: none"> - 2.4 ksh (plastic fencing) - 0.34 ksh (resin tiles)
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Accounting for Entrepreneurs

Milestones	Evaluation Criteria	Benchmarks
<ul style="list-style-type: none"> - A strong Break-Even Analysis on excel 	<p>The BEP analysis is strong when:</p> <ul style="list-style-type: none"> - Variable and Fixed costs are calculated in a right way - The price is explained per unit, as well as the variable cost for each product - The formula is well-constructed, and the result is positive - The entrepreneur explains a reason behind the BEP quantity 	<p>Core Business Plan (page 24): the BEP analysis has been performed by calculating each value, expressed in USD dollars.</p> <p>Break-Even Point Calculation (Posts)</p> $\text{Break-even Point (units)} = \frac{\text{Fixed Cost}}{\text{Contribution Margin (S.P.U-V.C. U)}}$ $= \frac{\$ 87,162.67}{\$ 5.4444 - \$ 1.3777}$ <p>Approximately = 21,433 units</p> <p>Break-Even Point (Revenue) = \$ 116,689.8252</p> <p>Break-Even Point Calculation (Roofing Tiles)</p> $\text{Break-even Point (units)} = \frac{\text{Fixed Cost}}{\text{Contribution Margin (S.P.U-V.C. U)}}$ $= \frac{\$ 87,162.67}{\$ 0.9411 - \$ 0.4111}$ <p>Approximately = 182,433 units</p> <p>Break-Even Point (Revenue) = \$ 162,365.37</p>
<ul style="list-style-type: none"> - A simple but sound Profit & Loss (P&L) on excel 	<p>The excel spreadsheet must contain:</p> <ul style="list-style-type: none"> - the revenues - the COGS - the EBITDA (highlighted) <p>Projections of P&L should be from 3 to 5 years.</p>	<p>Strauss Energy Business Plan (page 7)</p> <p>Bubayi Business Plan (page 36)</p>

Annexes

ANNEX A: The trainer tool Kit

- Content package (PPT slides)
- Tools:
 - o Business Model Canvas+ (PPT)
 - o Impact Map (PPT)
 - o Marketing Map (PPT)
 - o Financial Statement (Excel)
- Examples of business plans (benchmark)