

## APPENDICES

### *1. Letter of introduction*

Saturday, September 17<sup>th</sup>, 2005

Mr. Joseph Mwita, Manager  
WAT SACCOS, Dar es Salaam

**Subject: Community Economic Development Project**

Mr. Mwita,

I take the occasion to offer to some of the members of WAT SACCOS the opportunity to be supervised and oriented in the development of a community project. In the course of my master degree studies with the Open University of Tanzania and the Southern New-Hampshire University, I will accompany a specific community in designing and implementing a development project.

I kindly request your participation in allowing me approaching some of your members for the project purpose, and in ensuring me the occasional collaboration of one WAT SACCOS employee to keep the project in line with the WAT SACCOS' mission.

A period for the needs assessment of the community will take place between October and December 2005, followed by the project design in early 2006, the implementation during the 2<sup>nd</sup> quarter 2006, and the final evaluation in the 3<sup>rd</sup> and 4<sup>th</sup> quarters 2006.

I look forward to have good collaboration with your organization. Best regards.



Patrick Cyr  
Msasani, Dar es Salaam

## 2. Project agreement

### PROJECT AGREEMENT

#### **Stakeholders:**

WAT SACCOS, here represented by Mr. Joseph Mwita, manager.

Zalirotage Group, here represented by Mrs. Rose Kivumbi, chairperson.

Patrick Cyr, facilitator.

#### **Commitment:**

In the course of a Community Economic Development project conducted for a Master's degree project supervised by the Open University of Tanzania in collaboration with the Southern New-Hampshire University, the three stakeholders agree to collaborate in the needs assessment of the Zalirotage group members, to participate at problem identification, and to participate to the elaboration and implementation of a community project aiming to resolve the problem identified.


The three stakeholders guaranty their availability and transparency. WAT SACCOS and Zalirotage will lead the project with the recommendations of the facilitator.

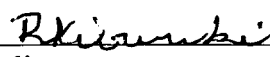
#### **Estimated calendar of the project:**

Needs assessment and problem identification:	October to December 2005
Designing the project:	January to March 2006
Implementation:	May to June 2006
Evaluation of impact:	September to November 2006

Signed in Dar es Salaam on 15/10/2005.

  
WAT SACCOS

  
Patrick Cyr, facilitator

  
Zalirotage

### 3. Questionnaire/survey

#### SURVEY WAT SACCOS

(survey was distributed in kiswahili)

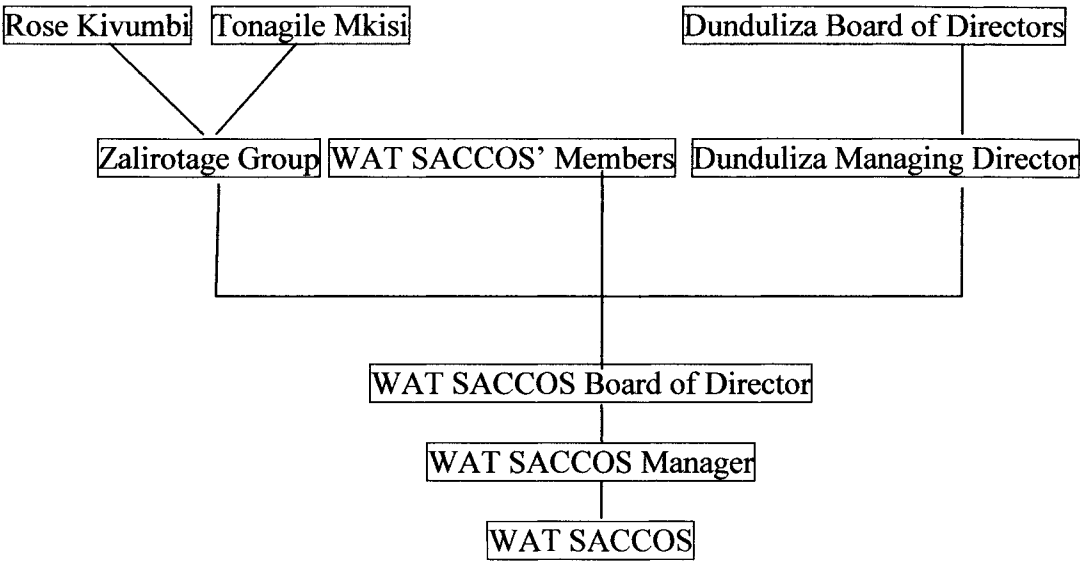
Please, circle your answers

1. Category of member:	Individual Man	41 35%	Individual Woman	75 64%	Institution	0 0%	Group of Men	2 2%	Group of Women	0 0%	Total	118
2. Source of revenues:	Employee	42 34%	Own a small business	78 63%	No revenue	4 3%					Total	124
3. If businessman or businesswoman, how many business:	1	46 61%	2	16 21%	3	5 7%	4	6 8%	more than 4	2 3%	Total	75
4. Which kind of businesses you own:	Selling foods	30 24%	Selling clothes	28 22%	Selling household items	0 0%	Service/repair/construction	17 13%	Others	52 41%	Total	127
5. Average net monthly incomes:	0 to 49 999	18 15%	50 000 to 99 999	22 18%	100 000 to 199 999	30 25%	200 000 to 499 999	34 28%	500 000 and more	16 13%	Total	120
6. Number of dependant relatives	1	11 9%	2	31 26%	3	21 18%	4	17 14%	more than 4	15 13%	Total	120 zero 25 21%
7. Do you own a house or a plot?	YES	56 47%	NO	64 53%							Total	120
8. Scholarship:	None	1 1%	Primary	41 34%	Secondary	43 36%	College	23 19%	University	11 9%	Total	119
9. Which one of those concerns affects you the most?	Health	3 3%	Education	26 22%	Environmental protection	22 19%	Housing access facilities	39 34%	Employment	26 22%	Total	116
10. What make this a concern for you?	Lack of money	65 54%	External factors	27 23%	Other	28 23%					Total	120
11. Which one of those problems have caused the previous concern?	Lack of skill and knowledge			42 35%							Total	120
	Lack of security in your environment			5 4%								
	Polluted environment			11 9%								
	Lack of infrastructure			34 28%								
	Other			28 23%								
12. How do you qualify the services you receives from WAT SACCOS?	Poor	0 0%	Fair	6 5%	Good	38 32%	Excellent	74 63%			Total	118

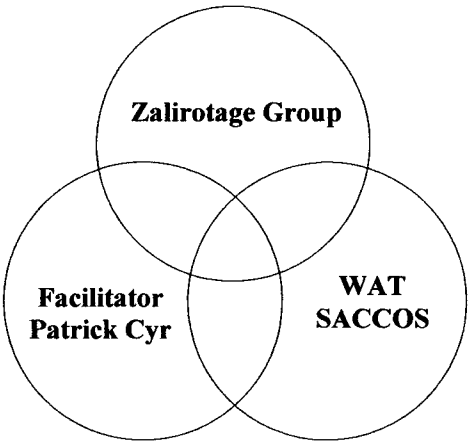
Thank you for your comments!

4. Organizational chart

This is the representation of the power structure of the different stakeholders:



This is the representation of the dynamic structure within the project:



*5. Training feedback evaluation form – English version*

**PROMOTING WOMEN'S GROUP BUSINESS IN  
TANZANIA**

**FEEDBACK OF TRAINING**

**JULY-AUGUST 2006 SESSIONS**

**Facilitators**

**Neemak Eddy Kasunga  
Patrick Cyr**

### **Training feedback form**

1. What are the three (3) most important things you learnt during this training?

***1. Motivation and determination in the MAIR model***

***2. Ability and experience in the MAIR model***

***3. Knowledge of the market concept***

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

Session	Necessary	Good to learn but not necessary	Not useful
1. Definition of businesses	✓		
2. MAIR model	✓		
3. Indicators of success		✓	
4. Understanding women business	✓		
5. What is marketing?	✓		
6. Elements of marketing (6 Ps)	✓		
7. Marketing visit	✓		
8. Marketing channels	✓		
9. Business plan	✓		

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

✓ ***Better identification of the products and proper market***

✓ ***Will be more keen in business management and planning***

✓ ***Will question and continue to investigate in business management among other business fellows and business management experts.***

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

- Case study discussions:

***Yes, we have learnt different ways of sourcing capital and also how to identify different markets for the products. This was the 2<sup>nd</sup> most appreciated methodology.***

- Games:

***Yes, we have been involved individually and participated fully in learning by explaining the new knowledge acquired in the 5 Ps of marketing.***

- Market visit:

***It is important to know other people business to identify our strengths and weaknesses in business.***

- Lectures by teachers:

***We followed and understood our facilitator/teacher who gave us different examples on successful and unsuccessful group businesses. This methodology was the most appreciated.***

5. Do you have any other suggestions to make this training more useful to group businesses?

- ✓ ***We should have a continual contact with the facilitator.***
- ✓ ***This type of project must always be realised with the help of a sponsor, even for small amount to cover training material.***

Thank you for your participation.

*6. Training Participation Certificate*

**CERTIFICATE**

**The present document attests that**

*Participant's name*

**has succeeded the 2006 entrepreneur vocational training**

**PROMOTING WOMEN'S GROUP BUSINESSES IN TANZANIA**

**A 20 hours course on cooperative businesses, marketing and business planning conducted during a Master Degree Project in Community Economic Development supervised by the Open University of Tanzania**

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**Neemak Eddy Kasunga**  
**Facilitator**

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**Patrick Cyr**  
**CED-OUT Student**



## ***7. Zalirotage Group Business Plan – English version***

### **BUSINESS PLAN**

#### **1. General information**

Name of women's group: ZALIROTAGE

Address no.: S.L.P. 79968 DSM Village Mikocheni, Ileje street

Sub district: Kinondoni District: Kinondoni City: Dar es Salaam

Province: Dar es Salaam

Tel. no.: +255 (22) 2781006

Total number of members: 5

Number of active members: 5

Type of Business (tick as many as apply)

- Production    ☒ Service  
– Trade            – Other

Brief history:

Date/ year of formation of group

- Start to be together to share experience with respective business
- Creation of new group business aim to obtain a group loan, get better education on how to run business, combine experience and knowledge of each other in business management.

#### **2. Production information**

*Product details*

Product name: Kerosene

Please attach sample pictures of each product if available.

Product type

- Fuel for lamp, cooking equipment, washing, etc.

Sales:

Product	Monthly purchase	Monthly sales	Number of product	Type of product
Selling	6 000 litres @600 = 3 600 000 Tshs	6 000 litres @900= 5 400 000 Tshs	1	Kerosene

### **3. Why choosing this product**

1. Product of kerosene is easy to deal with because it last for a long time, it doesn't deteriorate.
2. In the area where we live, there is no business like this.
3. Shortage of electricity in the area: kerosene is an alternative to electricity power, especially for light and cooking.
4. All categories of people can be customers: poor and rich.

### **4. Where to get the product**

Possible suppliers are B.P. Shell, Oil Com, etc.

The business must be authorized by the TBS (Tanzania Bureau of Standards) people and receive a certificate to confirm that the product can be sold to people for consumption.

### **5. Production process details**

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

There is no production process since the product is simply bought from suppliers and sold to customers directly without transformation.

### **6. Need to employ someone:**

Yes, there is need to employ an accountant and sales/marketing representatives.

How to employ them?

We will get them by advertising in paper and magazine and get some help to identify if they are really knowledgeable about the job.

How much is needed to pay them?

Accountant: 250 000 Tshs per month

Sales/marketing representative: 80 000 Tshs per month

More details about workers to be employed:

<b>Name of employees</b>	<b>Kind of job</b>	<b>Monthly salary</b>
Accountant	- Daily posting - Selling records	250 000 Tshs
Sales/marketing representative	- Daily selling - Purchase of product - Advertising - Finding market	80 000 Tshs

### **7. Equipments needed**

Equipments needed are minor and simple:

- Pumping machine
- Tank
- Lock
- Measurer

<b>Equipment</b>	<b>Cost</b>	<b>Quantity</b>	<b>Total price</b>
Pumping machine	1 000 000	1	1 000 000
Tank	900 000	1	900 000
Measurer	50 000	1	50 000
Lock	10 000	2	20 000
Total			1 970 000

### **8. Marketing information**

#### **Product**

Main customers: People who have shops around, schools, neighbors, and other people. Both categories: businesses and individuals.

Why people buy this product: It's a daily consumption product and there is no other places who are selling it.

How to attract the people: Keep the place clean and have a good language. Keep the product pure: don't mix it with other product like diesel to increase the profit.

What measurement will you utilize for selling?

5 liters, 10 liters, 20 liters, and 50 liters. Only wholesale activities, not retail with very small quantity.

### **Place**

Where to open the business?

In an open area where people can see it and be attracted.

### **Price:**

- Selling price is 900 Tshs/liter
- Price may change to follow the market
- Potential customers have been approached and are ready to buy at that price
- Competitors outside the direct area also sell the product at that price

### **Promotion:**

How do you advertise your business?

- Putting stickers in different places. Budget expected is around 10 000 Tshs.

### **Competitors:**

- GAPCO, ENGNE, Oil Com, and TOTAL: but they are far from the area where the business is even if they are almost everywhere and very successful. Companies are big and have access to big capital. They are buying products in bulk at cheaper price. They are not selling small quantities or retail, so they are missing a big market.

## **9. Capital**

Requirements:

200 liters per day starting January 1<sup>st</sup> 2007 X 30 days = 6 000 liters per month

6 000 liters per month X 12 = 72 000 liters per year

80 more liters per month starting February 1<sup>st</sup> 2007 X 11 months = 880 liters

**Total: 72 880 liters X 600 Tshs = 43 728 000 Tshs for year one**

### **Long term investment:**

Equipments:

Pump: 1 000 000 Tshs

Tank: 900 000 Tshs

Measurement: 50 000 Tshs

Locks: 20 000 Tshs

Total: 1 970 000 Tshs

### **Housing:**

The rent is expected to be 600 000 Tshs per year

### **Capital for running the business:**

<b>Expenses</b>	<b>Source of fund</b>
Equipment: 1 970 000	Loan: 1 200 000
Operating expenses: 3 848 000	Funds from group: 800 000
Administration expenses: 690 000	Savings from group: 2 000 000
	Other source: 2 508 000
<b>Total: 6 508 000</b>	<b>Total: 6 508 000</b>

**Financial statements at December 31<sup>st</sup> 2007:**

<b>Expenses</b>	<b>Amount</b>	<b>Revenues</b>	<b>Amount</b>
Cost of good sold	43 728 000	Sales	65 592 000
Electricity	600 000		
Salaries	3 960 000		
Phone	240 000		
Postal	20 000		
Secretary work	180 000		
Transport	360 000		
Administration	120 000		
Advertisement	84 000		
Food	300 000		
Cost for accounts	180 000		
Consultancy fees	360 000		
Business Registration fee	300 000		
Insurance and loan repayment	1 500 000		
Depreciation	60 000		
<b>Total</b>	<b>51 992 000</b>	<b>Total</b>	<b>65 592 000</b>
<b>Profit (deficit)</b>	<b>13 600 000</b>		

### **8. External Expert Curriculum Vitae**

**Name:** Neemak Eddy Kasunga

**Position:** Chief Manager (Training, Marketing, and Communication)

**Citizenship:** Tanzanian

**Date of birth:** August 26<sup>th</sup>, 1957

**Languages:** Swahili (good)  
English (good)  
Deutsch/German (average)

**University Studies:**

Bachelor of Commerce, Specialization in Marketing, University of Dar es Salaam, 1981-84.

Master of Science, Specialization in Co operative Economics, Marburg Philipps University, 1988-92.

**Complementary Studies:**

Certificates:

Co operative development policy [ICA-regional office, Moshi],

Agricultural Produce marketing [EACSA, Nairobi],

Objective Oriented Project Planning [DSE-Bad Honef, Bonn, FRG],

Self Sustaining Project Planning [DISTL-Kassel, FRG]

Micro Finance Best Practices Module 1-3 [DID-Tanzania, DSM].

**Major competences:** ➤ Business Management/project appraisals  
➤ Financial Accounting  
➤ Credit Management  
➤ Capacity building/development in micro finance best practices  
➤ Mobilization

**Principal qualifications:**

The vast experience Mr. Kasunga has accumulated in the past 20 years both in public and private sectors, has lead him to work comfortably voluntarily and professionally in rural and urban micro finance institutions at different levels. During the last three years, Kasunga's experience has been empowered essentially through common bond and spirit of Financial Services and Enterprises Development Association-FISEDA.

Through his professional and recent years of voluntary experiences, Mr. Kasunga has developed a particular specialisation in microfinance, in promotion, in capacity building/development and in training. His participations to diverse SACCOS activities, and to different board members meetings, allowed him to develop excellent capacities for analysis and elaboration of recommendations and plan of actions for the same entities. Those same experiences gave him strong knowledge concerning micro finance operations and global comprehension of savings and credit cooperatives.

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### **Employment historic in a glance:**

#### ***Dunduliza***

2004-To date                      Chief Manager (Training, Marketing and Communication)

#### ***FISEDA, Financial Services and Enterprises Development Association***

2002-2004                      Associate and Micro finance Advisor

#### ***Cashew nut Board of Tanzania***

2000- 2002                      Manager, Research, Statistics and Planning

#### ***Achelis (Tanganyika) Ltd.***

1998-2000                      Sales Manager, Division 1 [Scientific, Laboratory, Industrial chemicals/instruments/equipments/and medicines].

#### ***Tanzania Distillers (Konyagi)***

1995-1997                      Zonal Sales Representative (Southern Highland Regions)

#### ***Co operative Union of Tanzania***

1984-1995                      Head, Agricultural Price Monitoring Unit

### **Detailed Experiences:**

#### ***Dunduliza***

July 2004-To date.    **Chief Manager (Training, Marketing and Communication)**

As a head of department, N E Kasunga participates to the implementation and to the management of a network of 35 SACCOS (Savings and Credit Cooperative Society) spreading in 4 regions of Tanzania: Dar es Salaam, Ruvuma, Mara and Mwanza. This implementation is realized through a partnership with a Canadian organization named DID. Principal duties done by Mr. Kasunga are training of staffs, improvement of credit policies and management, development of training and promotional materials, and technical management of the project.

Mr. Kasunga has also participated in elaboration of the implementation plan by highlighting the outcomes and indicators of the project of Dunduliza.



### ***9. Training session syllabus and time-table***

#### **Module 1: Understanding women's cooperative businesses**

Session 1: Definition and classification of business (1 hour)

Session 2: Understand business through the MAIR model (2 hours)

- Including 3 cases study

Session 3: Indicators of successful women cooperative businesses (2 hours)

Session 4: Understand women's cooperative businesses (1h30)

- Including a case study

#### **Module 2: Marketing**

Session 5: What is marketing? (2 hours)

- Including 3 cases study

Session 6: Elements of marketing: the 6Ps (3 hour)

- Including the marketing game (with cards and dice)
- Introduction of the marketing visit that the participants will do for session 7.

Session 7: Marketing visit (3 hours)

- This session is not in class: the participants visit a market and bring back relevant observations regarding elements of marketing as studied in session 6.

Session 8: Marketing channels (1h30)

#### **Module 3: Business planning**

Session 9: The Business plan (4 hours)

- The participants structure their idea about the business they want to start together. This session provides support to the participants in the redaction of a business plan by discussing various issues.

## ***10. Various case studies created and analyzed during the training***

### **Module 1, Session 2, Handout 2: Analysis of case studies using MAIR model**

#### **Case study 1: *Paper bags manufacture***

The Mkwajuni Women's Cooperative Group, set up in 1999 in Kinondoni district has 32 active members who are skilled in making paper bags items. Initially, the women sold only in Kinondoni markets, but with assistance provided by the donors, they were later able to market their production outside Kinondoni and other nearby regions.

They use raw material from manila papers. However, in anticipation of greater demand in future, the women are exploring how to use raw material from other types of papers, which is available in abundance.

In the early stages, the group lacked management and accountancy skills, but acquired these after being trained by the donor. Now, they manage business production and accounts competently, earning profits of about Tshs. 1.2M in 2002. The women are planning to use their profits to buy machinery to increase production and, thereby, their income.

One of their business strengths is that their production is made fully with environment-friendly papers. This has enabled the women's group to sell their products not only in ordinary shops of Dar es Salaam but also to big super and shopping malls where such products are highly valued by foreign dignitaries, such as diplomats.

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

#### **Case study 2: *Sweets made with sugar palm***

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

Initially, the women were able to sell whatever they produced in the local market. But later, customers were unwilling to pay the price charged because they thought the sweets were made with sugar cane and not with sugar palm. Lacking a quality certificate from the government, the group was unable to convince customers that they were making quality sweets with sugar palm. As a result, their sales fell, stocks piled up and the group found itself without any working capital.

The group now has only 19 members. Obtaining sugar palm is also a problem because of its seasonal availability and price fluctuation. Sugar palm is in great

demand for making alcohol. Realizing that the business was not profitable, most members of the group lost interest and dropped out which, in turn, further reduced production and quality.

*Analyse the reasons for failure.*

### **Case study 3: *Determination and motivation revive a failing business***

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

Beginning with 30 women, the group had to start with a manufacturing activity in order to qualify for the grant. They chose to make fruit-juice using different fruits, especially mangoes. The business idea was selected because mangoes were available in bulk and quite cheap in season. The chairperson's donation of about Tshs. 1.0M was used to construct a work shed. The group wanted to process the mangoes to add value and make a profit, but did not know how to do this. Moreover, the women had no business experience.

Trained by a SIDO officer to make a delicacy, locally known as 'mango syrup', the women's group made a first lot of 800 bottles of this juice. The volume was small enough to be sold fully within their suburb and give the group a profit. This motivated them to put together more capital and produce a larger volume of about 5000 bottles.

However, failure in following the production process properly spoilt about 3500 bottles of the product during manufacture. The women lost a lot of money and also the motivation and interest to continue in the business. As a result, 20 women dropped out. The SIDO officer who had trained the group could not find the reason for the product being spoiled.

The leader of the group then visited another group making the same product where she learned that the porcelain jars used by them should be replaced with plastic jars treated with chemicals. On her return, the leader replaced the thirty porcelain jars with plastic jars at an extra investment of Tshs. 300 000 at Tshs. 10 000 per jar. The leader had to make a personal investment in this because the members were not interested in spending any more in the business. She did this without informing her family members because she was scared they would not let her put more money in a losing business.

The business then slowly started recovering and showing profits. The group leader later had the opportunity to attend a seven-day training programme on making fruit juices at the Sokoine Agricultural University, in Morogoro. This helped to improve the quality and packaging of the group's product. Gaining confidence about the

quality of their product, the group was able to extend their sales outside Dar es Salaam and in Zanzibar. They have now become a model for other groups who visit them to learn production and marketing techniques.

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

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

### **Module 2, Session 4, Handout 2: Case study of a women's cooperative business**

The Jikwamue Cooperative Women's Group in Ilala makes matiks. It was registered with 25 other women by the wife of the Mayor of Ilala Municipal Mr Zaidi when she learned about a DSM city scheme to provide Tshs. 90.0M to start-up cooperative women's groups.

Mrs. Zaidi offered the group the use of a large, covered shed in the front of her house to make the batiks. The city grant was credited to the account of the group in the cooperative. Mrs. Zaidi spent Tshs.300 000 to get working tools and spent another Tshs.600 000 to repair the roof of the shed so that the batiks would not get spoilt during drying.

When a City officer visited the group, the working tools were idle. Mrs. Zaidi informed the officer that there were no orders and that she called the women to make the batiks as and when she received orders. However, the orders are usually small and only seven to eight women are able to find work. The working tools stay idle for many days at a time when there are no orders.

As the members of the cooperative group cannot find continuous employment, Mrs. Zaidi wishes to apply for another city grant to start tailoring. The city has offered to finance the purchase of tailoring machines by the group, which Mrs. Zaidi intends to place in her yard. She says that this will enable her to continue with her efforts to engage women in productive work.

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

### **Module 2, Session 1, Handout 2: case study on preparing for competition**

The Kamakazi weaving group in Kilosa produces traditional baskets using paddy stems. The design is unique, though few outsiders can distinguish the special features of the design. This is why the group feels it is important to continue to produce and keep alive the traditional designs of the area.

The group has developed thirty five traditional designs, which they maintain in a catalogue and produce on a regular basis. They used to obtain paddy stems from within members of the group, but when they found that they are of low quality, they resorted to buy from a national farming plantation situated nearby.

The group has received support from a donor. They were given Tshs.700 000 which they used to purchase equipment and invest in a work shed.

Presently, the group markets its products through supermarkets, in Morogoro and DSM. Morogoro municipal council previously ordered between 100 and 200 baskets which were distributed to its workers. Being a traditional product, it is supported by the politicians. The market is mostly domestic and very little of the product is exported.

The group has a list of designs and prices to help customers in placing orders. They are also developing new designs and new products such as mats and carpets. They are able to produce about 1 200 *baskets* per month, making a profit of about Tshs. 400 000 per month.

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

### **Handout 3: case study on contact with market**

The women's group in Mwenge makes traditional woven clothes. The members are mostly older women. Many of their designs have attracted the attention of the Chairperson of Equal Opportunities Trust Fund [EOTF], which visits the group regularly and orders textiles from them for their exhibitions.

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

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

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

### *Exercise*

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

### **Handout 4: case study on taking charge of marketing**

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

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

The payment per piece is calculated to ensure a payment of about tshs.1 000 to 1 500 per day to each member.

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

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

The five marketers are paid Tshs.5 000 per day, the same as other members who are involved in the production of flowers. They are paid an *out-of pocket allowance* to cover their expenses while they are in the market. This motivates them to go out and market the products.

The group has assigned another member who is an accounts professional, as a full time accountant and pay her Tshs.300 000 per month.

### *Exercise*

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

## 11. PowerPoint Presentation

**STRENGTHENING MICRO-BUSINESSES IN TANZANIA**

2007 C.E.D. MASTER DEGREE  
PRESENTATION FOR SNHU & OUT

PATRICK CYR

STRENGTHENING MICRO-BUSINESSES IN TANZANIA

Presentation content:

1. Project Summary
2. Community Needs Assessment
3. Problem Identification
4. Implementation
5. Monitoring, Evaluation and Sustainability
6. Conclusion

STRENGTHENING MICRO-BUSINESSES IN TANZANIA


1. Project Summary

- Community based project WAT SACCOS and Zalirotage Group
- After demonstration that small business people lack knowledge in management, the project focused on:
  - Developing a training tool;
  - Training Zalirotage Group members;
  - Preparing replication of the project.

STRENGTHENING MICRO-BUSINESSES IN TANZANIA

2. Community Needs Assessment

- Questionnaire among active members of WAT SACCOS
  - Savings and credit cooperative in DSM
  - 2 300 members
  - 60% are small business people
  - 60% are women



STRENGTHENING MICRO-BUSINESSES IN TANZANIA

- Survey Characteristics
  - Self-administrated questionnaire
  - Population WAT SACCOS: 2 300 members
  - Sample: 1 495 active members (counter)
  - Accidental sample (problem adm. Cards)
  - Facility of administration
  - Cost free
  - No effort required, 4 minutes

STRENGTHENING MICRO-BUSINESSES IN TANZANIA

- Survey Results
  - The composition is representative of the population

	Participants to survey	WAT SACCO active members
Number of people	120 (8 %)	1 495 (100 %)
Percentage of women	64 %	60 %
Percentage of business owners	63 %	60 %

- Respondents are few (8% of the sample) but concentrations are present  
(comparison ILO 2002)

## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

- Measure of the stability and reproducibility used

- Simplicity of questionnaire
- Small population
- Short dead-line

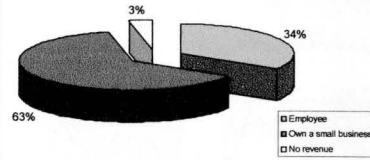


- Reliable enough for the stakeholders

- Clear and simple questions
- Easy to answer
- Translated in Kiswahili

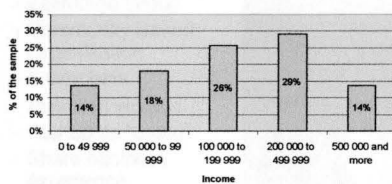
## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

Source of revenue



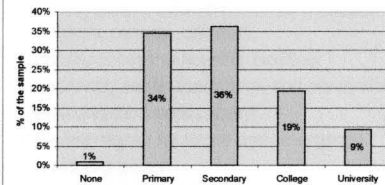
## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

Average net monthly income



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

Scholarship



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

Cross tabulation Scholarship vs Income

Count		Range of incomes					Total
		0 to 49999	50 000 to 99 999	100 000 to 199 999	200 000 to 499 999	500 000 and more	
Scholarship	No formal education			1			1
	Primary school	11	8	12	4	6	41
	Secondary school	7	12	10	10	5	44
	College	2	7	13	1	23	
	University			7	4	11	
Total		18	22	30	34	16	120

- Link with the literature: several ILO and World Bank documents



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

Issues of concern

Concerns	Percentage
Health	3%
Education	22%
Environmental protection	19%
Housing access facilities	34%
Employment	22%



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

- The lack of money creates and amplifies the concerns of the respondent. (68%)
- What is the root cause of the problem?
  - Lack of skills and knowledge (43%)
  - Lack of infrastructures (28%)
- In link with the literature
  - Ex. ILO 2002: Business women challenge in Tanzania is Markets and Marketing info. (36%)

## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

## Cross tabulation Revenue vs Problem

Cross		Problem to address					Total
		Lack of skill and knowledge	Lack of security in your environment	Political environment	Lack of infrastructures	Other	
Source of revenue	Employee	15	3	3	5	9	35
	Own a small business	34	2	8	27	10	81
	No revenue	2			2		4
Total		51	5	11	34	19	120



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

- Focus Group Discussions
  - Zalirotage Group
  - Community Based Organization
  - 5 members
  - Business women
  - Started as "upatu"
  - Share business experience



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

- Focus Group Needs Assessment
  - Taking care of their direct family (husband, children, parents, cousins);
  - Having access to housing facilities;
  - Improving health medication and prevention;
  - Ensuring food accessibility;
  - Saving money for future and emergency.
  - Need expressed:
    - Increase income > Improve business
  - Need skills in marketing

## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

## 3. Problem Identification

*"Small business people, members of WAT SACCOS, lack of knowledge in business management, especially in marketing"*



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

## • Project Goal

*"Improve the knowledge and skills in business management of the Zalirotage group"*



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

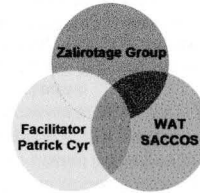
- Objectives

1. Training Tool available by March 2006.
2. 5 members of Zalirotage group are trained by August 2006.
3. The replication of the project is planned by December 2006.



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

## 4. Implementation



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

- Activities Undertaken

- Objective #1: Develop Training Tool
  - Internet research in existing training kit
  - Monthly focus group meetings
  - Promoting Rural Women Cooperative in Thailand (F.A.O. United Nations)
  - Selection of relevant sections (ILO 2003 Study)
  - Adaptation of the tool for Tanzanian context
  - Translation in Kiswahili (SEED 2002)
  - Using different channels of communication
  - Idea to start a new group business

## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

- Objective #2: Training of Zalirotage

- In-class guided discussions (20 hours)
- Involvement of an external expert
- Conception of a Business Plan
- Recognition of training through certificate (SEED 2002)



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

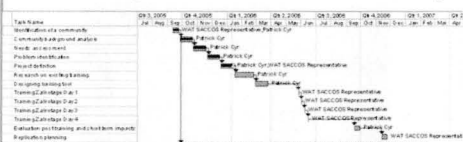
- Objective #3: Planning the replication

- Tool is ready for replication
- Zalirotage more involved than WAT SACCOS in replication to other business people
- Support of the Kunduchi Clinic + Market Linkage



## STRENGTHENING MICRO-BUSINESSES IN TANZANIA

## 5. Monitoring, Evaluation and Sustainability



- Monitoring by the facilitator
- Minutes of meetings
- Simple MIS to allow full participation of stakeholders

### Summary Monitoring Table

Goal: Improve the knowledge and skills in business management of the Zalirotage group			
Objectives	Indicators	Planned time-line	Date achieved
Develop a training tool	Existing tools identified	January 31 <sup>st</sup> 2006	April 30 <sup>th</sup> 2006
	Tool adapted	February 28 <sup>th</sup> 2006	June 30 <sup>th</sup> 2006
	Tool in Swahili	March 31 <sup>st</sup> 2006	June 30 <sup>th</sup> 2006
Train Zalirotage	Venue identified	May 30 <sup>th</sup> 2006	June 30 <sup>th</sup> 2006
	Date accepted	May 30 <sup>th</sup> 2006	June 30 <sup>th</sup> 2006
	Training sessions completed	August 30 <sup>th</sup> 2006	August 30 <sup>th</sup> 2006
	Business plan written	September 30 <sup>th</sup> 2006	October 31 <sup>st</sup> 2006
Plan replication of the training	Replication strategy written and time-table accepted	December 31 <sup>st</sup> 2006	Not completed

### STRENGTHENING MICRO-BUSINESSES IN TANZANIA

#### ● Evaluation

- Indicators of success were defined
- Increase of incomes, creation of new job and improvement of welfare not considered:
  - Short duration of the project (1 year)
  - External factors
  - New business to be started in 2007
- Tool available (Objective #1)
- Zalirotage trained (Objective #2)
- Replication in planning (Objective #3)

### STRENGTHENING MICRO-BUSINESSES IN TANZANIA

- Objective #3 not completed (ongoing)
  - Major changes within WAT SACCOS
  - Replication taken in charge by Zalirotage
  - Marketing Linkage of business people ongoing (SEED 2002)
  - Support to the Kunduchi Clinic



### STRENGTHENING MICRO-BUSINESSES IN TANZANIA

#### ● Sustainability

- Regular feedback during all the process
- Flexibility of the training tool
- Low cost
- Institutionalisation
  - Through partnership (collaborators, Ex. SIDO)
  - Problem "Business Management Support" vs "Credit"
- Zalirotage as "Social Mission"
- Empowerment is a key issue for sustainability

### STRENGTHENING MICRO-BUSINESSES IN TANZANIA

#### 6. Conclusion

- Community Based Project: "Sharing experience to improve" – training is complement
- Successful demonstration of the participatory approach
- Replication ongoing and indirect outcomes
- Importance in addressing problem in link with its mission (WAT SACCOS vs Zalirotage)

### STRENGTHENING MICRO-BUSINESSES IN TANZANIA

#### ASANTE SANA!

