

Training #1

Introduction to Each Other & the Program

Objectives: By the end of this workshop, participants will:

- (a) Become familiar with the background and dreams of each member of the group.
- (b) Develop a collective vision of what they hope to achieve through the training, and analyze barriers to achieving their vision.
- (c) Learn about the goals and objectives of the workshop series and the philosophy of the training program.
- (d) Provide feedback about the proposed content and format of the workshop series.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- **Introduction/Welcome (10 minutes)**

1. Welcome!
2. Introduce facilitators. Explain that we will have different facilitators throughout the training, as well as several guest trainers/presenters.
3. Review logistics.
4. Express facilitators' excitement about working with the group and our respect for the participants' energy and enthusiasm to explore starting a business cooperative.

- **Review Agenda for Today's Training (5 minutes)**

Materials:

The agenda, written up on newsprint.

Steps:

1. Review or ask a participant to read the agenda.

- **Small Group Interviews (1 hour)**

Materials:

A piece of blank newsprint.

Steps:

1. Tell participants that because we will be working together intensively over the next few months, it is important to take time to share information about ourselves. Ask the group to brainstorm a list of things participants would like to know about each other. One question we want them to ask each other is “What is your top business idea?”
2. Divide the group into small groups of three people. Using the questions as a guide, the members of the small groups interview each other. Participants are encouraged to write down information about each other. Give the groups 15 minutes to do the interviews.
3. Each participant introduces one person to the large group. As business choices are revealed, facilitators should list them on the newsprint.
4. Reflect on the richness of skills and experience within the group. Explain that we will have many other opportunities during the training to share information about each other and get to know each other better.

- **Participant Expectations (40 minutes)**

Materials:

Blank newsprint.

Steps:

1. Explain to participants that in the following two exercises we will first ask them to share their goals, expectations and fears about the training, and then ask them to fill out a written questionnaire. Explain that the purpose of these exercises is:
 - a) To make sure that we are in fact addressing the goals that they have in the trainings.
 - b) To have a method for measuring the success of the program. In other words, we want to know ahead of time what goals everyone has for the program so that at the end of the program, we can go back and answer whether or not we have met our goals.
2. Ask participants the following questions. Write responses down on large pieces of newsprint.
 - a) What are the expectations that people have for the training program?
 - What business goals/expectations do they have?
 - What kinds of personal/family goals do they hope to achieve through participating in the program?

- Do they have any goals for this group and what kind of support or meaning it can have for them?
- b) What obstacles exist toward meeting your goals?
- What obstacles/fears do they have about starting the business?
 - What obstacles/fears do they have about their ability to meet personal goals?
 - What could get in the way of meeting group support goals?
 - Do they think they'll be able to learn the business planning and development skills we will be teaching in this program?
 - Do they have any fears about their ability to learn?
- c) Brainstorm ways to overcome obstacles and address the women's fears.
- What kinds of things would make them feel more confident about reaching their expectations from the training?

3. Explain to participants that starting a business is hard work, and it is the goal of the program to help as much as possible in overcoming the various obstacles that individuals and the group will confront along the way. Tell participants that their ideas and input are important, and that we will do everything we can to incorporate their suggestions into the trainings. There will be regular evaluations after each training to gauge their feelings about how the training is going and whether or not it is meeting their expectations. In addition, at the end of the training series, we will conduct a lengthier evaluation to gauge the success of the training as a whole.

4. Transition to the next exercise: Explain to participants that the program also has goals and expectations, and that it is important to measure whether or not our goals are met. This is the purpose of the next exercise.

• **Written Pre-Test (20 minutes)**

Materials:

Folder containing program information and all hand-outs to be used in the training; hand-out entitled "Questionnaire."

Steps:

1. Hand out to all participants a folder containing relevant program information (such as program goals, mission statement, timelines etc.) and the hand-outs (Appendix 1). Explain that participants should bring this folder with them to every training.
2. Explain to participants the goals of the program.

3. Explain that the way we will know if our expectations have been met is to have them fill out a questionnaire now, and then again at the end of this training series, after the first year the business has been open.

4. Ask participants to refer to the hand-out entitled "Questionnaire." and review directions. Explain that the questionnaire is anonymous and that the participants should put their mother's birth date on the top so that we can compare the pre-test with a post-test at the end of the training.

5. When participants are finished, explain that we will compile the results and bring them back for the group to see.

- **Break (10 minutes)**
- **Review of the Training Program (35 minutes)**

Materials:

The hand-out entitled "Outline of Training Topics" (facilitators need to adapt this outline to include dates of trainings and any other modifications); the hand-out entitled "The Feasibility Study;" the hand-out entitled "Business Development Stages."

Steps:

1. Give participants a brief overview of the program sponsoring the training.
2. Review for participants the introductory training series:
 - a) Ask participants to refer to the hand-out entitled "Outline of Training Topics."
 - b) Review the proposed training dates, and explain that the timeline and sequence of trainings may change, depending on unpredictable factors like the businesses chosen and ease of accessing needed information.
 - c) Describe the purpose of the training:
 - Note that the trainings are divided into three general groupings: First, trainings that are oriented toward choosing a business and determining its feasibility; second, trainings that are focused on activities aimed at building group trust and skills in cooperative work; and third, trainings designed to help participants learn research skills they will need to do business research.
 - These groups of trainings are reflective of our goals for the introductory training series. We have two primary goals:

i) To determine the feasibility of starting a cooperative business. Feasibility is defined as whether or not a business is financially viable, or can make a profit.

ii) To determine whether or not the group has the willingness, commitment and interest to start and operate a business cooperatively.

- Explain that it is crucial to address these two goals in a training on starting a cooperative because they are what make or break coops. In conventional businesses, if you are the sole owner, you just have to worry about whether or not the business makes money. If you don't get along with your employee, you can just fire her. But in a coop, the business can make money but still fail because the group of workers, who are its owners, don't get along and can't agree. So it's crucial for the group to explore not only whether or not a business can make money but also whether or not they, as a group, have the interest and commitment to work together as co-owners of a business.

d) Review the trainings related to determining feasibility:

- Ask participants to refer to the hand-out entitled "The Feasibility Study." Review the definition of feasibility.
- Review the "Seven Steps of Feasibility" briefly: Explain that at the end of Step One, participants will choose three businesses to do feasibility studies on, and will break into three committees to study these businesses through the seven steps. Then, at the end of the training series, they will decide which business, if any, to take into the next phase of planning.
- Ask participants to refer to the hand-out entitled "Business Development Stages." Point out that the seven steps will allow the participants to develop a feasibility study and report, which in turn feeds in to the business plan. Emphasize that all the phases are interrelated and are designed to build upon each other.
- (If applicable) Explain that the program has a business consultant who will work with the group where needed and provide support and technical assistance.

e) Discuss the non-feasibility trainings:

- Explain that the research skills trainings are necessary because participants will be collecting a lot of the feasibility information; these trainings will help

participants learn how to conduct interviews and surveys, and how to analyze their data.

- Explain that the group skills trainings are crucial because they will give participants a sense of what it means to work in a cooperative before they have to decide whether or not to commit.

f) Explain that by the end of the training, the group will have enough information to make two major decisions: First, which business idea to choose; and second, whether or not to personally commit to the next phase. Of course, it is our hope that everyone will in fact commit to starting a business together!

g) Explain also that it is important for people to realize that the training offers no guarantees. Coops offer great challenges as well as opportunities:

- The first challenge will be choosing a business that everyone in the group agrees with.
- The second challenge is learning to work intensively in a group setting. Some people will realize by the end that working cooperatively is not what they want to do. That's OK. We can't promise that everyone will go on to start a successful business cooperative. But we will do everything we can to help each participant in the group to do so.
- At a minimum , what everyone will gain out of the training is invaluable personal and business skills that they can take with them wherever they go.

3. Discuss the educational approach used in the training:

a) Explain that they may be unaccustomed to the approach we use in doing the trainings.

b) Ask participants to think back to their own learning experiences, most obviously when they were in school:

- What was your role in the classroom?
Were you encouraged to speak up?
Were you allowed to participate in making important decisions?
Was learning fun?
Did you learn?
- What was the role of the teacher?

c) Ask them to think about an experience where learning was fun and valuable.

- What was different about that experience?
- What did the teacher do in that experience?
- What was your role as a student?

d) Summarize the conditions that promote valuable and effective learning, based on what participants said. Some of the answers might include:

- Learning by doing.
- Respect for participants' knowledge and experiences.
- Safe learning environment (all questions are good!)
- Learning is multi-way exchange (not top down). We'll all be learning from each other.

e) Explain that it is our philosophy that learning should be meaningful, valuable and fun, and that the teaching approach we will be using is very different from that used in most schools:

- First, we think that learning should always be a two-way process. We don't believe that we are the experts and the students know nothing. To the contrary, we believe that participants have a lot of invaluable knowledge.
- Second, we believe that people learn best when they "learn by doing." In other words, we will not just lecture and expect participants to absorb all the knowledge without applying it. We will learn skills and then go out and apply them.
- Third, we believe in the saying, "Practice what you preach." We don't believe that values like cooperation, equality and participation are real unless they are practiced on a daily basis. So the training gives all of us many opportunities to practice communication skills, conflict resolution skills, democratic decision-making skills, participation skills etc. These are the skills that coops are made of. Without them, coops would just be like any other business, run from the top by one person or a group of shareholders who don't even work in the business.

f) In summary, we are committed to creating a learning environment that is fun, meaningful, and safe for everyone involved. Everyone's ideas and opinions are valuable and will be respected. Everyone will have something to contribute.

- **Groundrules for Participation (15 minutes)**

Materials:

Hand-out entitled "Groundrules for Participation in the Training Program" (facilitators need to adapt this to meet their own programmatic requirements); the same groundrules, printed on newsprint.

Steps:

1. Remind participants of the two main goals of the training program. Explain that some people may decide that small business or coops is not for them. It is important for participants to understand that no one is a failure for dropping out. However, during the time that people are in the trainings, the program does have groundrules that we ask people to respect.
2. Explain that accountability and respect for the work of the group are key to successful cooperative work. To ensure accountability and respect for our learning process, we have established some rules for the training. These rules are based on our experiences working with other groups forming cooperatives.
3. Ask participants to refer to the list of groundrules (on newsprint and in their packets). Review the rules.
4. Ask group members how they feel about these rules. If there is resistance based on taking away the group's power to decide these types of things, explain that we have given the group a lot of power which other training programs ordinarily don't provide: to decide the training schedule, to decide (to a degree) training content, and to decide what businesses to research and ultimately start. If participants feel strongly about changing one/more rules, the facilitator should negotiate a compromise with the members.

- **Participant Feedback on Proposed Training Program (10 minutes)**

Steps:

1. Explain the importance of their participation in revising the workshop series to meet their needs. Refer back to the expectations that the participants put forth during the expectations exercise, as well as the educational approach we have described.
 - a) Ask whether participants feel that the workshop series addresses learning goals they have.

- b) Looking at their list of expectations, are there trainings in any areas/topics that they feel would be important to provide?
- c) What do they want to see more of? What do they want less of?
- d) Do they have any questions or concerns about the proposed trainings?

- **Homework Assignment (5 minutes)**

Materials:

The chart entitled "Making a List of your Skills."

Steps:

1. Ask participants to refer to the chart entitled "Making a List of Your Skills." Explain that the homework is to write down all the different kinds of work they have done in their lives, and next to each type of work, the skills that they learned and used. Ask participants to return the form by the next training.

Training #2

Introduction to Cooperatives & Cooperation

Objectives: By the end of this workshop, participants will:

- (a) Learn about the breadth and diversity of the cooperative sector in the United States.
- (b) Analyze the advantages and disadvantages of cooperatives as compared to conventional businesses, and be able to name key differences between the two.
- (c) Learn key terms related to cooperatives, capitalism and the economy.
- (d) Critically assess the forces promoting competitive behaviour and values over cooperative ones in U.S. society.
- (e) Establish a set of "Principles of Cooperation" that define the group's groundrules for communication and interaction.

Total Training Time: 3 hours, 30 minutes

Teaching/Learning Strategies:

- **Welcome & Check-In & Review of Agenda (10 minutes)**
- **Trust Building Activity (20 minutes)**
- **Unfinished Business (5 minutes)**

Materials:

Copies of roster of participants and facilitators; copy of results of pre-test, to post on wall.

Steps:

1. Collect the homework assignment from participants.
2. Pass out a roster of names and numbers of all participants.
3. Pass out the compiled results of pre-test.

- **Video: The Spirit of Cooperation (45 minutes)**

Video produced by the National Cooperative Business Association, edited by WAGES to 40 minutes for training purposes.

- **Break (10 minutes)**

- **Debriefing the video (1 hour)**

Materials:

Hand-out entitled "About Cooperatives..."; hand-out of the list of coops among the Fortune 500 companies; hand-out of the Rochdale Principles.

Steps:

1. Review the main points of the film:

Ask participants the following questions:

a) What are their first impressions? What one aspect of the film struck them most?

b) What is a coop? How can we define a cooperative?

- A coop is a for-profit or non-profit business owned and controlled by its worker/members. It is a group of people forming an enterprise to accomplish a common purpose, and materially sharing the benefits as well as the risks.

c) What kinds of coops do people form?

- Agricultural, newspaper, housing, consumer/food stores, daycare centers, factory production (Homeboy Industries), credit unions (in Navy as well as in poor Latino neighborhood in DC).

- Some very large, others very small; some high tech, some with almost no technological needs.

d) Ask participants to refer to the hand-out entitled "About Cooperatives...."
Define the differences between producer, consumer and worker-owned coops:

- Differences exist in terms of what they do.
- Ownership is in different hands in each case.
- Differences exist in terms of how profits/savings are distributed.

e) Who gets involved in forming coops?

- Note that coops can benefit all kinds of people and entities (ex: NTEL SAT, government's cooperative).

- Note that coops have generally been formed to benefit the "little guy," for example, elderly, poor and low-income people, and those who need to stretch their dollar the most.

f) Why do people choose to start and work in coops (or, what are the benefits or advantages of coops)? Responses might include:

- Advantages at an individual level:

- "Give strength to the little guy."
- To obtain cheaper goods/services.
- To have a voice in management and operations.
- When people have ownership of a business or housing they care about it more.
- To share costs, profits and risks across a group of people.

- Advantages at a community level:

- Community development according to what the community needs.
- Community control (for example, over how community income is spent, where our money goes, what kind of food we eat, the type of health care we receive).

Note that the reasons why people start coops are varied: As we saw with the example of the tortilla coop in L.A., some coops can have strong social reasons for getting started. Other coops have no or very few social goals. We will talk more about this later.

g) What kinds of disadvantages do you think coops might entail?

- Loss of individual autonomy.
- Less efficiency.
- A greater time commitment in order to participate in governance and to make decisions collectively.

h) Summarize: Coops come in all sizes and shapes; there are no limits on who can form a coop or what a coop can produce.

2. What Makes Coops Different (The Coop Alternative):

Remind participants that during the last meeting we began to talk about some of the differences between coops and regular businesses. In discussing expectations from the training, some people mentioned how much they want to be their own boss. Now we will look at some of the ways that coops represent an alternative to employment in conventional businesses.

a) At an individual/personal level:

Think back to jobs you have had in the past when you worked for someone else:

- What did you most dislike about not being your own boss--about having to work for someone else?
- Were you excluded from decisions that mattered to you?
What kinds of decisions were you excluded from?
What does it feel like to be excluded from decisions that affect your job?
- Have you ever worked in a job where you participated in making decisions?
How did that make you feel?

b) At the level of the workplace:

Note that people often refer to "workplace democracy" to describe the way a coop is run. Ask participants:

- What is democracy?
-Webster's definition: "Government by the people; majority rule; the acceptance and practice of principles of equality of rights, opportunity and treatment."
- What do you think workplace democracy means?
- How would you describe the places you have worked before?

c) At a social level:

- In the U.S. we say that we have political democracy because everyone has the right to vote.
 - Do we have workplace democracy?
 - Why or why not? If workplace democracy and worker ownership are so great, why do we see so few coops in the U.S.?
 - What else do we know about business in the U.S.?
 - In our country, why do most businesses exist? Or, another way to ask this is, for whom do most businesses make money?

- Explain that these aspects of business (private ownership, salary differentials between workers and owners, the profit motive, etc.) are characteristic of our country, society, economy. Ask:

-What is the economy?

Webster's definition: "A system of producing, distributing and consuming wealth."

- Note that the principles on which our economy is organized is known as capitalism. Ask:

-What other types of economies do you know about?

Communism, socialism.

-If in a capitalist economy, wealth and control accrues to owners of business, who has control in a communist economy?

-What happens with cooperatives? What makes coops different?

Equal distribution of profits.

Participation in decision-making and governance.

d) Explain that cooperatives are an alternative to both economic systems. Coops place ownership, wealth and control not in the hands of private owners, or in the hands of the state, but in the hands of the workers who own the business.

e) Explain that coops can and do exist in any type of economy. Give brief examples of the Mondragon coops in Spain, and the Seikatsu coops in Japan. Discuss their origins, goals and the context they produce in.

3. What are the Values that Underlie Cooperatives?

a) Explain to participants that coops present an alternative to conventional, capitalist businesses because of the values that coops are built upon. Ask:

- What are values?

b) Ask participants if they have ever seen the bumper sticker that says "People, Not Profits"? Ask:

- What does it mean?
- What are the values or beliefs that underlie cooperatives?

- How are these values different from the values that underlie most businesses here?
- Where are these values learned?

Point out the fact that in Denmark, Norway and Sweden, cooperative education is mandatory in school for all children. Children spent up to one full year studying coops and learning the skills of cooperation.

c) Ask participants:

- Why don't we have cooperative education in the U.S.?

d) Point out that the threat that cooperatives pose to the dominant economic system of capitalism explains some of the unique twists that cooperative development has taken in capitalist countries like the U.S. Explain that while the cooperative movement, starting from its early days with the Rochdale Pioneers in England, initially had strong goals of democratic governance, the tendency in some business sectors, particularly in the agricultural sector, has been to move away from social democratic goals. Give the example of the Blue Diamond company in Watsonville, which is a grower's coop that has for years tried to prevent workers in its plant, who are mostly Latina women earning minimum wages, from unionizing.

e) Ask participants to refer to the hand-out of the list of coops that are among the Fortune 500 companies. Point out that some of these coops are managed very hierarchically, with little direct participation by workers in governance. So although all coops share the principle of profit sharing, not all are internally democratic or committed to the Rochdale principles.

f) Pass out copies of the Rochdale Principles.

g) Ask participants to think for a minute about what would happen if our economic system was organized around principles like the Rochdale Principles. What would happen if every worker was an owner?

4. Summarize the discussion:

a) Coops represent an alternative at every level (personal, workplace, social) to what we are offered by a society and economy organized around capitalist principles.

b) Coops in their structure and their operations are informed by values of democracy and equality. As such, coops are basically an extension of the principle of political democracy to our economy.

c) Coops have as a long-term goal the achievement of economic, social and political democracy in our society.

- **Discussion: Establishing Group Groundrules (40 minutes)**

Materials:

Blank pieces of newsprint.

Steps:

1. Explain to group members that a starting point for building a democratic coop is coming to agreement on the values that guide our work. All coops have two fundamental elements:

a) The values/spirit of cooperation: this refers to the values that guide our work, which are based on equality, involvement in decision-making, the value of every person's ideas/input etc.

b) The structure of cooperation: structure that helps ensure that the spirit, values and democratic principles are maintained and protected.

Once we are clear on the values we believe in, we can begin to build structures that guide our work.

2. Ask group members to brainstorm their "Values of Cooperation," or the beliefs they have about how they should work together:

a) What does cooperation mean to us? What kinds of behaviours and attitudes are involved? (Make sure people give concrete examples!).

b) What are the things we value in our group and expect from each other during this training?

- What encourages you to share your opinions? What discourages you?
- Under what circumstances are you comfortable taking a leadership role? What circumstances discourage you?
- What kinds of situations or circumstances "set you off"?
- What encourages you to try to resolve problems? What makes you resistant to trying to do so?

3. Draw up a list of the "Values of Cooperation" that the group will use for the rest of the training.
4. Ask group members how these values translate into rules to guide the group during the training series. Can they suggest rules for the group? To help participants move from abstract values to concrete rules (behaviors), ask how these values are demonstrated. For example:
 - a) How do you show respect for someone?
 - b) How do you know when someone is being respectful?
 - c) What do people who are being helpful in a meeting do?

If the group members list many ideas, ask them to select the eight most important.

5. Once they have selected their groundrules, tell participants that it is important to reach consensus on the rules. Ask if everyone agrees with the rules.
 - a) If yes, say "We have consensus, and we all agree to follow these rules."
 - b) If no, ask if the rules could be changed so that everyone can agree, or if people could agree to eliminate one or more of the problematic rules.
6. Explain to participants that in addition to democratic participation in creating the guidelines for our work, it is important that everybody share the responsibility of upholding the guidelines we set for ourselves. Explain that as is often the case in groups, people don't always follow the rules. It takes work to make sure that people follow the rules. We have to pay attention to ourselves and watch ourselves. In this group, everyone is responsible for making sure the other group members follow the rules that the group has just agreed upon.
7. Eventhough we are all responsible, groups are made stronger when, for every meeting, one person takes special responsibility for making sure the rules are upheld. This role is known as the process observer. The process observer is responsible for stopping the training when rules are broken and talking to the group about it.
8. Tell participants that soon, after a training on communication, we will ask participants to begin to learn the task of process observance. Participants will then take turns working with one of the facilitators to observe process at each meeting.
9. Point out that the group has taken an important step toward developing its own spirit and structure of cooperation: it drew upon its own values (the spirit of cooperation) to build a first set of policies and procedures (the structure of

cooperation). Congratulate the group for having taken a first step toward developing a governance structure!

- **Homework Assignment (10 minutes)**

Materials:

Hand-out of article entitled "From the Kitchen to the World," on the Seikatsu cooperative in Japan; hand-outs entitled "Assessment of Entrepreneurial Traits," "How Much Time do I have to Build a Business?" and "Assessment of Personal Income Needs."

Steps:

1. Ask participants to refer to the article in their folders entitled "From the Kitchen to the World," on the Seikatsu cooperative in Japan. Tell participants that they should try to find time to read this article about a remarkable coop, and that we will take a few minutes in the next training to discuss it.
2. Ask participants to refer to three forms entitled "Assessment of Entrepreneurial Traits," "How Much Time do I have to Build a Business?" and "Assessment of Personal Income Needs."
3. Review the forms, paying particular attention to "How Much Time..." (some participants might need help with basic math concepts to fill out this form).
4. Ask participants to complete the forms prior to the next training.

- **Evaluation (10 minutes)**

Steps:

1. Ask participants to evaluate the training. Ask:
 - a) What did they like?
 - b) What did they dislike?
 - c) What ideas do they have for improving the training?

Training #3

Introduction to Small Business Development

Objectives: By the end of this workshop, participants will:

- (a) Hear from an expert on business development about the "Basics of Small Businesses," including why they fail, what it takes to succeed, and what criteria to consider in selecting a business.¹
- (b) Conduct a personal assessment to explore the traits they need to cultivate as small business entrepreneurs.
- (c) Conduct a personal assessment to explore how much time they have or can allocate in order to build a successful business.
- (d) Examine personal income needs and compare these to estimates of how much income they are likely to earn during the initial operations of a business.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- **Welcome & Check-In & Review of Agenda (10 minutes)**
- **Trust-Building Activity (25 minutes)**
- **Presentation on Small Business Development (1 hour)**

Materials:

Copies of the questions the guest presenter has been asked to address.

Steps:

1. Introduce the guest presenter.
2. Hand out to participants the list of questions the presenter has been asked to address. Questions include:
 - a) What are key steps that anyone interested in starting a business should take?

¹ It would be most appropriate to try to bring a guest presenter who has experience in small business development as well as cooperative development. In this way, the presentation will address more specifically the challenges and requisites of developing a coop.

- b) What are the greatest hurdles new small business owners face? How can they best be confronted and overcome?
 - c) What are the most important criteria to think about when deciding what kind of a business to start?
 - d) What are the greatest personal challenges involved in starting a small business? What kinds of personal traits need to be cultivated?
 - e) What did you do to support yourself while you were starting your business? How long was it until you earned enough to cover your personal expenses?
 - f) In your opinion, what makes a small business succeed or fail within the first few years?
 - g) Has starting a small business been worth it, despite the difficulties? Why or why not?
2. Ask the presenter to define any business terms he/she uses, and urge participants to raise their hands to ask questions if there are concepts or terms that they don't understand.
 3. Explain that the presenter will have 45 minutes to do a presentation, and thereafter there will be 15 minutes for questions and answers.
 4. Thank the guest for his/her presentation. As a final question, ask:
 - h) What advice would you give members of this group as they think about starting a cooperatively-owned small business?

• **Debriefing the Presentation (30 minutes)**

Steps:

1. Ask participants to think about and respond to the following issues:
 - a) General impressions/feelings about the presentation:
 - What was interesting/new?
 - b) The vocabulary and language that were used:
 - Review key terms that were used.
 - Ask participants to define them.
 - c) The lessons we can learn from the presenter's experience:

- Which lessons would participants apply to themselves personally?
- Which lessons would they apply to starting the coop business?

d) The biggest challenges in starting a new business:

- What were the challenges the presenter outlined?
- What ideas do participants have for dealing with them?

2. Transition: Explain that for the remaining part of the training, we will explore in greater detail three areas that the presenter touched upon: personal and entrepreneurial traits that are important in business development; the time required to develop a business; and the income needs of individual members of the group.

- **Break (10 minutes)**
- **Exploring Entrepreneurial Traits (10 minutes)**

Materials:

Participant's filled-in homework hand-out, entitled "Assessment of Entrepreneurial Traits."

Steps:

1. Ask participants to pull out their completed homework, entitled "Assessment of Entrepreneurial Traits." Ask them to think further about the personal traits that will be important to starting the business:

- a) What traits do they have that will be important to helping a business get started and succeed?
- b) What traits need more work?
- c) How could these traits be cultivated during the course of this training?

2. Ask participants to turn in their completed forms if they feel comfortable doing so. Explain that we will use the information on their forms to think about trainings or workshops that might be beneficial to the group.

- **Assessment of Time for Starting a Business (30 minutes)**

Materials:

Participant's filled-in homework hand-out, entitled "How Much Time do I have to Build a Business?"

Steps:

1. Explain that in addition to cultivating entrepreneurial traits, it is vital for participants to make sure that they will have enough time to do good research and planning for the business.
2. Ask participants to pull out their completed homework, entitled "How Much Time do I have to Build a Business?"
3. Check to make sure everyone was able to complete the sheets. Review the process of calculating percentages and allow participants more time if they need it to finish the pie-charts.
4. Ask participants the following questions:
 - a) How many roles do participants play in their lives?
 - b) What are the categories that take up most of their time?
 - c) Are there too many or not enough hours in the day?
5. Discuss with participants the time usually needed to start up and operate a business. The program estimates that participants will need to dedicate at least 7 hours a week to the training program (3 hours of class, and 4 hours of homework, research, and/or committee meetings) prior to start-up. Once the business gets off the ground, they may have to dedicate many hours of unpaid work. Ask participants:
 - a) How much additional time did participants assume would be needed to operate their businesses?
 - b) What categories did participants cut back on in their charts?
 - c) In a practical sense, what does the time commitment required for starting a business mean for them?
 - d) How do they feel about it?
 - e) What mechanisms do they have for dealing with the stress that starting a business usually involves?
 - f) What can we do in the training to help address issues of stress and time management?

- **Assessment of Personal Need for Income (20 minutes)**

Materials:

Filled in homework assignment entitled "Assessment of Personal Income Needs;" newsprint.

Steps:

1. Ask participants to refer to the homework assignment entitled "Assessment of Personal Income Needs." Make sure everyone was able to fill the sheet out.
2. Ask if there are people in the group who are currently not able to meet their monthly expenses. If so, ask these participants how they are bridging the gap.
3. Ask participants to list their minimum and ideal income needs by the hour. Write this information on newsprint, with the amount written next to each person's name. Tell participants that it is important to try to come to agreement on a minimum amount since this decision could influence the business they ultimately choose. Try to arrive at consensus on a minimum hourly amount. Ask people whose minimum is above the average whether they could survive on a lower amount, and how they would do that.
4. Discuss their income requirements in relation to what they are likely to earn during the first year or two of operations. Refer to the guest presentation and the difficulty many small business owners have making ends meet during the first year. Explain that it is quite possible that not everyone will be able to start working right away, and that even those working may not have full time pay. Ask participants:
 - a) Have you ever done something where the reward was delayed?
 - What was it?
 - Was it worth it?
 - b) How do you feel about the possibility that you may not earn enough income for a period of time?
 - What can you do if this situation occurs?
5. Congratulate the group for having explored some of the most fundamental requirements of starting a business during the training today.

• **Check-in about the Seikatsu Article (5 minutes)**

Briefly discuss with participants their thoughts and impressions after reading the article on the Seikatsu cooperative in Japan.

• **Evaluation (10 minutes)**

Steps:

1. Ask participants to evaluate the training. Ask:

- a) What did they like?
- b) What did they dislike?
- c) What ideas do they have for improving the training?

Training #4

Step 1: Choosing the Business:

A) Learning More About Our Business Ideas

Objectives: By the end of this workshop, participants will:

- (a) Learn more about the businesses and business sectors they are interested in from a knowledgeable resource person, and identify those businesses that have the greatest market demand.¹
- (b) Create an initial list of possible businesses to explore.
- (c) Plan site visits to each of the businesses on the list.

Total Training Time: 3 hours, 30 minutes

Teaching/Learning Strategies:

- Welcome, Check-In & Review of Agenda (10 minutes)
- Trust-Building Activity (20 minutes)
- Introduction to Step One of the Feasibility Process (15 minutes)

Materials:

List of participants' business ideas (from Training #1), posted on newsprint; a list of the three criteria for selecting businesses (see below), posted on newsprint.

Steps:

1. Point out that today's training is officially the beginning of the feasibility study. Remind participants that the first step in conducting a feasibility study is to identify potential business ideas and select a few businesses to research.
2. Refer back to the list of business ideas that the participants came up with on the first day, during introductions. Ask participants to think back to why they chose those particular businesses. List their reasons on a piece of newsprint.

¹ The resource person (or persons) invited should preferably be knowledgeable about the sectors that participants are interested in, as well as specific businesses. For example, if one participant wants to explore a catering business, and the other a restaurant, it would be helpful to have a resource person who can speak about the food industry in general as well as the pluses and minuses, and demand issues, related to participant's specific businesses.

3. Note that their reasons are the same as those considered by experts when deciding what business ideas to pursue. Post the newsprint showing the three factors to consider when selecting businesses:

- a) What we can do (or can learn to do).
- b) What each of us is interested in.
- c) What people need, buy or want to buy.

4. Explain that over the next few trainings, we will explore all of these criteria in order to decide on three business ideas to research. Tonight's training will focus on two things: providing us with general information about the businesses we are interested in, and exploring the third criteria (market demand or need for the kinds of businesses participants are interested in).

5. Introduce the guest presenter/resource person(s).

• **Presentation, and Q&A (1 hour, 30 minutes)**

Steps:

1. The resource person(s) has been notified in advance of the participants' business choices, and has been asked to be prepared to talk about the following during his/her presentation:

a) General introduction to the sectors that participants business choices fall into (for example, the food industry, the recycling industry etc.), including descriptions of major trends in the sectors.

b) Brief description of the participants' business ideas, including:

- What the business "looks like."
- The skills or experience required to operate the business.
- The risks involved in starting the business.
- If possible, the name of a contact person/business owner with expertise in this business.

c) Assessment of the market for each of the participants' business ideas, including:

- What the demand/need for the business is.
- What the competition is like.

d) Exploration of other businesses that the group might want to consider, including niche ideas related to participants' choices.

2. After the resource person(s) has finished his/her presentation, open the floor up for questions and answers from participants.

3. Thank the resource person(s) for his/her presentation. Ask if it would be OK for members of the group to contact him/her in the future.

- **Break (10 minutes)**

- **Debrief the Presentation (30 minutes)**

Materials:

List of participants' business ideas, with new ideas brought by presenter added at the bottom.

Steps:

1. Post a list of all the business ideas generated to date, including participants' ideas and those mentioned by the resource person.

2. Ask participants to think back to the presentation. Ask:

a) In general, how did they feel about the presentation?

b) What was new or surprising to participants?

c) What business ideas most excite participants? Why?

d) Are there any business ideas that participants would already rule out? Why? Is there consensus in the group to rule these ideas out?

3. Where there is consensus, the facilitator can eliminate a business idea from the list. However, the facilitator should not force any decisions at this point. The facilitator should also make sure that each participant has a chance to give her opinion.

- **Planning Site Visits or Interviews (40 minutes)**

Materials:

The hand-out entitled "Planning for Site Visits & Interviews;" instructions for group work (listed below), posted on newsprint.

Steps:

1. Explain that during this next section, we will help participants to plan site visits or interviews with persons knowledgeable about the businesses that are being

considered. The purpose of these visits and interviews is to get a "snap-shot" view of what it's like to work in that business. We are not trying to get detailed information about the business and how it operates, but rather to provide participants with enough information to decide, on a preliminary basis, whether or not they would be happy doing such work.

2. Post the list of businesses on the wall, and then cut the list into thirds or quarters. Explain that participants will be divided into three (or four) groups, and that each group will be responsible for investigating a third of the businesses. Assign each group a section of the room, post its businesses on the wall there, and then ask participants to gather under the list they are most interested in. Emphasize that these assignments are temporary and only for the purpose of doing one brief site visit or interview.

3. Post the newsprint listing the instructions for the group. Tell the groups they have twenty minutes to do the following:

a) Identify real examples of the businesses they are assigned to visit, either using the Yellow Pages or a participant's contacts; or, if a site visit is difficult, either the group or the program should contact someone who works in the business who can be contacted to speak to the small group.

b) Set up a time that the small group members can make for a site visit or meeting (note that they have until Training #6 to do the task). Emphasize that each member should plan to visit all the businesses on her group's list.

c) Review the questions they will be expected to answer: (Ask participants to refer to their hand-out entitled "Planning for Site Visits and Interviews").

- Name and location of the business visited.
- What does the business look like? (Physical description and description of what the typical day involves).
- What kind of work is involved? (List all obvious job types, and describe the skills involved in each job)
- How many people are employed?
- What excites you about the business?
- What turns you off about the business?
- Do you think this would be a good business to do a feasibility study on? Why or why not?

d) Decide who is responsible for taking notes at each site visit, and who will be responsible for reporting back to the large group. Tell the groups that they will

have some time at the beginning of Training #6 to plan their reportbacks, so they need to focus only on doing the site visits as their homework.

4. When the groups have finished, ask each group to take 5 minutes to report on its plan: What is the plan? When will they carry it out? Who will do what? The facilitator should encourage the groups to share the responsibilities of research, including setting up the visit, taking notes and being responsible for the report-back to the large group.

- **Homework Assignment: Participants**

The group's homework is to carry out the site visits by Training #6.

- **Homework Assignment: Facilitators**

1. The facilitators may have to help the group identify businesses to visit or persons to contact. For example, it is difficult to set up site visits to businesses that provide personal services (such as housecleaning). For such businesses, the ideal would be to find someone who works in the business and who is willing to talk about the nature of the work and the business in general.

2. The facilitators should also transfer the information collected from the resource person(s) onto a matrix entitled "Information about Our Business Ideas." (See Training #6 for a sample of the matrix). Most of the resource person's information is likely to fall into the first four columns: "Business Name," "General Description," "Demand/Need/Competition," and "Skills Required." The remaining columns will be filled in during Training #6.

- **Evaluation (10 minutes)**

Steps:

1. Ask participants to evaluate the training. Ask:

- a) What did they like?
- b) What did they dislike?
- c) What ideas do they have for improving the training?

Training #5

Communication in Groups

Objectives: By the end of this training, participants will:

- (a) Explore some of the factors underlying diverse approaches to communication and conflict.
- (b) Identify positive and negative ways to communicate, and to give and receive feedback in groups.
- (c) Practice positive communication and feedback skills.
- (d) Explore the role and responsibilities of the process observer.

Total Training Time: 3 hours, 40 minutes (Note additional time required for this training).

Teaching/Learning Strategies:

- Welcome/Check-In/Review of the Agenda (10 minutes)
- Trust-Building Activity

No time is set aside for a trust-building activity since much of this training focuses on building trust through communication.

- Exploring Factors that Underlie Our Approaches to Communication & Conflict (30 minutes)

Materials:

A variety of instruments, preferably from many countries of the world, including percussion, keyboards, wind instruments etc. (a sufficient number for everyone in the group to have an instrument).

Steps:

1. Explain to participants that the purpose of this exercise is to explore different communication styles as well as the different factors that have shaped our communication styles: our family backgrounds, school, other institutions, race/ethnicity/culture, socio-economic level etc.
2. Lay out the instruments on the floor. Ask each participant to choose one, and give them a minute to experiment with their instrument and become comfortable with it.
3. Divide the group into the following formations: 1 pair, a group of 3 or 4, and the remaining participants can be grouped together in one large group.

4. If possible, the formations should go to other areas (not in the same room), and instruct them to communicate with each other via their instruments. They are not to talk or make noise except through their instruments. After a while, the facilitator will come around and give them instructions.
5. Give the groups 5 minutes of communicating on their own. Walk around and observe the dynamics that occur.
6. After 5 minutes, give members of each group instructions that add a dynamic to the situation. For example, one person in the group can be instructed to cause a conflict or bring anger into the conversation. Hand one or two members of each group a card with the instructions so that not everyone receives the instructions.
7. Give the groups 3-5 minutes to converse with this added dynamic.
8. Bring the groups back together to debrief. Ask group members the following questions:
 - a) How did it feel to communicate using instruments?
 - b) What drew you to pick your instrument?
 - c) What were the limits and possibilities associated with your instrument? How do these relate to the limits and ranges of our own communication skills and tools?
 - d) What were the different methods people used to communicate? How does this relate to the styles of communication people generally use?
 - e) What kinds of dynamics occurred?
 - f) How was conflict/anger dealt with? Did some people feel more comfortable with it than others? What were the different responses people had? How does this relate to communication?
 - g) How did communication vary between the different groups?
9. Transition: in a group setting such as ours, where people have to work together intensely over a long period of time, it is crucial to understand our personal communication styles in order to avoid and/or resolve conflicts. At the same time, it is necessary for groups to create agreements about communication practices that respect our different styles and that promote respectful dialogue and resolution of differences

among group members. The rest of the training will focus on these practices and agreements.

• **What is Communication? (10 minutes)**

Steps:

1. Ask the members of the group the following questions, and write their responses down on newsprint:

- a) What is communication?
 - Transmitting information.
 - Listening.
- b) What is the goal of communication?
 - The goal of communication is to increase understanding between people for a variety of purposes. You may want to exchange information needed for a decision, express feelings so others will know why an issue is important to you, ask for something you need, or increase understanding for its own sake--because it feels good.
- c) What is good communication?
 - Good communication is a cooperative activity in which people accurately transmit and receive information in a way that supports understanding.
- d) What is bad communication?
- e) What are the non-verbal skills that accompany good and bad communication?

2. Refer to the list of groundrules/guidelines developed by participants during training #2. Ask people to take a minute to think about what their guidelines look like in practice. For example:

- a) What does "respect each other's ideas" look like verbally? Non-verbally?
- b) What does listen to each other mean? What does it look like non-verbally?

3. Add any new skills to the list of "good" and "bad" communication skills above.

4. Transition: Point out that much of what we consider to be communication has to do with understanding and misunderstanding. Today's training will focus on preventing or dealing with misunderstandings that are personal, since these are often the most troublesome. Emphasize that the focus is on communication skills that can prevent conflict. In a later training we will examine conflict and how to deal with it.

- **Role Play of a Personal Misunderstanding (5 minutes)**

Steps:

1. The facilitators should prepare in advance two role plays of a misunderstanding that has occurred between themselves, or should ask in advance for two participants to prepare role plays of a misunderstanding that has occurred between the two of them. The role plays should be about a real situation, and should reflect two possible outcomes: conflict in the first case, and resolution in the second.

Example: Role play of a telephone call: Katherine calls Dharma to talk about updates to their training curriculum. She makes several suggestions, each of which is quickly dismissed or put down by Dharma.

Scenario 1: Katherine becomes upset and accuses Dharma of being snappy and always dismissing her ideas in favor of her own. Dharma becomes defensive and says that its not true, and that if she's upset it's because Katherine has been flaking out on her work, sending it in too late, and screwing up everyone else's timeline. Katherine gets angry and tells Dharma not to change the subject. Dharma gets angry and tells Katherine that she should get her own house in order before she criticises other people. The situation degenerates and one of them hangs up the phone on the other.

Scenario 2: Katherine tells Dharma what she sees is happening, and talks about how it makes her feel (stupid, that her ideas are dumb, that her contribution is not valued). She says that she has always valued the friendship and supportive nature of their relationship, and that she doesn't know what might have happened to change that. She asks Dharma if there is something going on. Dharma admits to having criticized Katherine and says that another friend has recently told her the same thing. She explains that she is feeling tremendous stress about the trainings, and is having a hard time changing trainings at the last minute, which has happened several times because Katherine hasn't been able to get her work in on time. Katherine says she understands, and that she also accepts responsibility for the situation since she has had personal circumstances that have made it hard for her to always get her materials in on time. The two discuss what they would like from each other in order to prevent problems in the future.

- **Debrief the Role Play (30 minutes)**

Steps:

1. Ask participants to think about the first scenario:
 - a) What happened?

b) What did the role players do that escalated the situation? Think about concrete behaviours or statements that were made.

- Accusations/labeling.
- Defensiveness.
- Bringing in other people (ex: you're screwing all of us up).

2. Ask participants to think about the second scenario:

a) What happened?

b) What did the role players do differently? Think about concrete behaviour or statements that resulted in resolution of the misunderstanding.

- Expressing feelings from a personal standpoint.
- Checking the situation out by asking questions.
- Different tone of voice.
- Listening to each other.
- Mutual empathy (both participants were able to understand the others' concerns and issues).
- Telling each other what they need from each other in order to continue to work together effectively.

3. Ask participants if they have ever been in similar situations of conflict that might have been avoided. Ask them:

a) What happened? What did each person do?

b) What could the participant have done differently?

c) Why didn't she do it?

4. Discuss with the group how we have been socialized to deal with conflict and misunderstandings (conflict is "bad" and should be avoided; criticism is personal and means you are a "bad" person; etc. etc.). Point out that good communication revolves around two key elements:

a) Changing how we think about conflict: We need to learn how to view misunderstandings or conflict as opportunities to increase understanding (this requires de-personalizing how we see conflict).

b) Learning effective communication tools: We need to learn how to give and receive feedback effectively.

5. Transition: Explain that in the next section, we will look at tools for giving and receiving feedback.

- **Learning about Giving & Receiving Feedback (30 minutes)**

Materials:

Hand-out on "Giving & Receiving Feedback."

Steps:

1. Ask participants what feedback is.
 - Feedback is telling another person how you perceive what she or he did or said. Feedback may also go one step further, and may involve stating to the other person what you want to be different and why.
2. Ask participants to refer to the hand-out on "Giving & Receiving Feedback." After reviewing the hand-out, ask participants for their response: What do they think about these communication tools?
3. Ask for two volunteers to role play giving and receiving feedback, using the guidelines on the hand-out. Provide them with an example of a misunderstanding, or ask them to come up with one themselves, perhaps one that has actually occurred during the training.
4. After the role play, congratulate the participants. Ask the remaining participants to give feedback about the way the role players used the communication tools. What did they do well? What could have been done better? Make sure the participants giving feedback are also using the guidelines.
5. Tell group members that everyone will now practice giving and receiving feedback.

- **Break (10 minutes)**

- **Practicing Giving & Receiving Feedback (1 hour)**

Materials:

Three pieces of newsprint with the following headings at the top: "What it feels like to give feedback; What it feels like to receive feedback; Observations about the feedback process;" the hand-out entitled "The Role of the Participant."

Steps:

1. Divide participants into groups of three. Explain that there are three roles:
 - a) The feedback giver.
 - b) The feedback receiver.
 - c) The process observer who watches and gives constructive criticism on how givers and receivers are doing their job.

2. Explain that everyone will take turns and play each role in this activity. Ask each person to think of someone who angered them recently--at their job, a friend or family member, or even someone at the training; preferably they should choose a real situation that they would actually like to resolve. Explain that each small group will take turns, with one person giving feedback, another receiving it, and the process observer watching the interaction.

3. Ask the first set of three's to do their role play. After each feedback session, ask participants to talk about how it felt to:

- a) Give feedback.
- b) Receive feedback.
- c) Observe the process. What went well? What kinds of things were said/done that improved the process? What could be better?

List participant's responses on the newsprint under three separate headings.

4. Switch off until all people have played each of the roles.

5. Summarize participant's responses to the three questions of how it felt to give feedback, receive it, and observe the process. Ask participants:

- a) Did this exercise help you to think differently about criticism and feedback?
- b) How?

6. Before wrapping up the exercise, ask participants if anyone is feeling bad about any of the feedback or comments they were given. Encourage participants to speak out and be honest, and to tell the group how they are feeling. Emphasize that it is important that no one go home feeling hurt or angry. Feedback is not about blaming or putting down, it's about helping each other to become better communicators and team players.

7. Ask participants to refer to the hand-out entitled "The Role of the Participant." Encourage participants to read this hand-out since it contains more good information about how to give and receive feedback, and how to be a good team-player.

8. Transition: Explain to participants that in a future training, they will have opportunities to talk more about how to resolve conflicts and how to develop a mechanism or procedure in the group for dealing with conflicts. Before wrapping up the training, however, it is important to see how the skills we have learned about giving and receiving feedback can be used right away in our trainings.

- **Applying our New Skills to the Task of Process Observer (20 minutes)**

Materials:

Hand-out entitled "Guide to the Process Observer."

Steps:

1. Tell participants that many of the skills we have learned and practiced today are skills that can be used not only on a one-on-one basis, but also in the group setting to improve our communication amongst each other.
2. Explain that the skills are particularly important to the person whose job it is to watch group process during meetings. Remind the group of the rules they developed for themselves in training number two, and point out that up until now, the facilitators have played the role of process observer--trying to ensure that the group's rules are upheld. Now we want to begin to transfer that role of process observer to members of the group.
3. Explain the meaning of process observer. Ask participants to refer to the hand-out entitled "Guide for the Process Observer." Review the three tasks of the observer:
 - a) To make sure participants respect the group's groundrules.
 - b) To watch how participants communicate in the group (verbal and non-verbal).
 - c) To stop the process and give feedback when necessary.
4. Ask participants:
 - a) How do people feel about being a process observer?
 - b) What fears do they have?
 - c) What is needed to make every participant feel comfortable in the role of process observer?
5. Ask the group how they would like to transition into the role of process observer. Depending on the group, the facilitator may want to recommend that initially, the participant and facilitator work together to observe and comment upon process issues. During the break at each meeting, the two can caucus to review what is happening in the group and share notes about group process. At the end, both will give a report on what they saw/heard in the group that night. After every person has had an opportunity to do "supported process observing," participants can take on the role alone or in pairs.

- **Homework (5 minutes)**

Steps:

1. Tell participants that their homework is to choose one (or more!) persons in the group to whom they would like to give feedback about a real issue. If they absolutely have no feedback for anyone in the group, they should choose a friend or relative to whom they would like to give feedback about an issue. Before the next training, they should call that person up (or better, meet with them directly), and practice the new skills they have learned today. At the beginning of the next meeting we will spend a little time talking about what the experience was like.

- **Evaluation (10 minutes)**

Steps:

1. Ask participants to evaluate the training. Ask:

- a) What did they like?
- b) What did they dislike?
- c) What ideas do they have for improving the training?

Training #6

Step 1: Choosing the Business:

B) Exploring Our Skills & Interests

Objectives: By the end of this workshop, participants will:

- (a) Report back on their site visits.
- (b) Share their work experiences/skills, and interests, and compare these to the list of businesses being considered.
- (c) Create a comprehensive matrix to reflect information learned to date about skills, interests and market demand for each of the business ideas.
- (d) Practice process observing and communication skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome, Check-In & Review of Agenda (10 minutes)
- Trust-Building Activity (20 minutes)
- Check-In About the Homework Assignment: Giving & Receiving Feedback (10 minutes)

Steps:

1. Ask participants how many of them did the homework assignment to call someone up and give them feedback? How many actually called someone in the group?
2. Ask participants who gave feedback what it was like? What was the outcome?
3. Ask participants who received feedback what it was like? Were they able to understand the other person's feedback? How did they respond? Were they comfortable with the outcome?
4. Discuss and brainstorm any problematic issues that may have arisen.
5. Congratulate those participants who did the homework for their courage in taking a new step in their lives, and encourage the group as a whole to continue to give feedback when it is necessary.

- **Choosing a Process Observer (10 minutes)**

Materials:

Newsprint list of the groundrules developed in Training #2; the hand-out entitled "Guide for the Process Observer: Group Dynamics to Look out For."

Steps:

1. Make sure that everyone has a copy of the hand-out "Guide for the Process Observer." Also, post the list of participants' groundrules on the wall.
2. Ask participants if there are any questions about the role of the process observer. If necessary, review the "Guide for the Process Observer" with the whole group.
3. Ask for a volunteer process observer to watch group process for this meeting.
4. Remind participants of the process agreed to at the previous meeting (ie: whereby the observer and facilitator will work together).

- **Introduction to Tonight's Training (5 minutes)**

Materials:

Large piece of newsprint showing the matrix entitled "Information about Our Business Ideas." (See hand-out for Training #6 for a sample of the matrix. The matrix should be filled in with information collected so far--mostly the columns entitled "General Description," "Demand/Need/Competition," and "Skills Required." The remaining columns will be filled in during this training).

Steps:

1. Tell participants that the purpose of tonight's training is to continue with Step One of the feasibility process, "Choosing the Business." Remind participants that there are three criteria we need to pay attention to when selecting our three businesses for feasibility research:

- a) What we can do/Can learn to do.
- b) What we want to do/Our interests.
- c) What there is market demand/need for.

2. Explain that our guest presenter in Training #4 provided us with preliminary information about c), market demand and need. Through our guest, we were able to identify businesses for which there appears to be a market demand in our area.

3. Then, through the homework assignment, participants were asked to collect important information about a) can we do this work?, and b) are we interested in it?

4. In today's training, we will start off by hearing the reports from the homework assignment. Then we will do several other activities aimed at exploring a) and b) further.

5. Ask participants to look at the matrix. Point out that it has been filled in with information collected to date on each of the key areas. Explain that as we generate more information we will fill in the matrix, so that at the end, we will have fairly comprehensive information to help us decide which businesses appear to be best candidates for the feasibility study. Then, during the next training, participants will vote to make a decision.

- **Reportbacks on Site Visits (1 hour, 10 minutes)**

Materials:

Matrix on newsprint entitled "Information About our Business Ideas."

Steps:

1. Tell the groups that conducted site visits that they will have fifteen minutes to get together and plan their reports. Explain that each group will have about 3 minutes to report on each business.

2. Before letting the groups meet, ask participants to think for a minute about the process of doing a reportback. Ask them:

a) What things are important to do when you are reporting back information to a large group?

Responses might include:

- Being brief.
- Addressing the key points.
- Not rambling, bringing in extraneous information,

3. Tell participants that the easiest way to make sure their reports stay on track is to follow the questions passed out during training #4. Review and post the questions:

- a) Name and location of the business visited.
- b) What does the business look like?
- c) Where is it located?
- d) What kind of work is involved? (list all obvious job types, and describe the skills involved in each job)
- e) How many people are employed?
- f) What excites you about the business?

- g) What turns you off about the business?
- h) Do you think this would be a good business to do a feasibility study on? Why or why not?

4. Ask each of the groups to do their reports. As the information is shared, the facilitator should fit it into the appropriate categories on the matrix. (Note: The columns on Skills Assessment and Interest Assessment should be left blank).

5. Congratulate the participants on their work!

- **Break (10 minutes) Note: The facilitator needs to meet with Process Observer during the break to review group process.**

- **Activity: Looking at Our Skills & Experiences (40 minutes)**

Note:

This activity requires advance preparation. Facilitators should have collected participants' homework assignment from Training #1, entitled "Making a List of Your Skills," and should have compiled all the participants work experiences and skills into one document.

Materials:

Copies of the compiled list of participants' work/skills, from their homework assignment entitled "Making a List of Your Skills;" the large matrix on newsprint entitled "Information about Our Business Ideas"; the hand-out entitled "Matching the Businesses with Our Skills and Experiences."

Steps:

1. Hand out copies of the typed-up, compilation of the chart entitled "Making a List of Your Skills." Remind participants that this list is based on the homework assignment we gave them after the first training.

2. First, ask for a volunteer to read through the list of skills and experiences. Affirm the great diversity and quantity of work experiences that participants have.

3. Explain that we will now break into small groups and ask each group to compare the list of skills/experiences with what we know so far about a number of the business ideas. Divide participants into three groups.

4. Ask participants to refer to the hand-out entitled "Matching the Businesses with Our Skills & Experiences." Explain that the goal of this activity is to identify those businesses that have the closest match to participants' skills and experiences. Review the hand-out carefully, making sure that participants understand the instructions.

5. Divide up the list of businesses so that each group has (X) number to examine. Give the groups 15 minutes to do the task.
6. Reconvene in the large group. Going business by business, ask each group what their assessments were. Ask the remaining group members whether they agree. Try to achieve consensus on each business. Write the assessment down on the newsprint matrix.
7. When finished, point out the businesses that received positive assessments.
8. Transition: Point out that assessing our skills for a particular business or assessing the ease with which the necessary skills can be learned is a crucial step towards defining whether or not it makes sense to study a business idea. In the next activity, we will examine another important piece of information, namely how interested we are in each of the different business ideas.

- **Activity: Sharing Your Dream Job (30 minutes)**

Materials:

Newsprint listing the three questions for participants to consider (below); the hand-out entitled "Matching the Businesses with our Interests;" the large matrix entitled "Information About Our Business Ideas" on newsprint.

Steps:

1. Explain that the following activity is called "Sharing your Dream Job." The purpose of the activity is to help participants think about the things they really want to have in a dream job, a job they can imagine being in for a long time.
2. Post a piece of newsprint listing the following three questions. Tell participants to take 5 minutes to think about the questions and write down their responses.
 - a) What is your dream job now? (This could be any job...not necessarily a job from the list of businesses the group is studying).
 - b) What do you do on a typical day in this dream job?
 - c) What excites you most about your dream job?
3. Reconvene in the large group. Going participant by participant, ask each person to state their responses to the three questions. Write down their responses on newsprint, making three lists for each of the questions.
4. Point out any common interests or themes among the participants responses.

5. Pass out the hand-out entitled "Matching the Businesses with our Interests." Ask the participants to take 10 more minutes to look at the list of businesses, compare it with their interests and hopes for work, and identify those businesses that seem to match their interests the most. Tell participants to rank each business idea on a scale of 1 - 10, with ten being the highest.

6. Reconvene in the large group. Going business by business, ask participants to state how they assessed each business. Count the total number of points for each business, then find the average, and list this number on the matrix.

4. Summarize: Explain that the purpose of this activity is to help participants think about what they really want to get out of a job....they may not be able to achieve their dream job at this time, but they may be able to find a business that offers them the opportunity to work in a way that is most important to them. Sometimes it is these qualities (the things that excite us) that matter more than the actual work we do. They should think about the things that excite them when making a decision about which businesses to study.

5. In closing: Ask participants to take a moment to look at the matrix we have developed so far. Congratulate them for their hard work in trying to explore each of the business ideas and decide which ones might be best suited for the group.

- **Homework Assignment: Participants (5 minutes)**

Tell participants that their homework is to review the filled in matrix for each of the businesses carefully, in preparation for the next training, when a decision will be made about which three businesses to pursue through the feasibility phase. Participants should think about which of the businesses appear to be the best match with the group's skills, experiences and interests.

- **Homework Assignment: Facilitators**

Facilitators need to type up the information on the matrix and send copies to all participants, in preparation for Training #7.

- **Evaluation (10 minutes)**

Steps:

1. Ask participants the following questions:

a) About the content of the training:

- what did people like about the training?

- what did they dislike?
- was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #7

Choosing the Businesses

Objectives: By the end of this training, participants will:

- (a) Critically evaluate the pro's and con's of each of the business ideas being considered.
- (b) Vote and decide on three businesses to study, plus two back-up businesses.
- (c) Break into three committees corresponding to each of the businesses.
- (d) Learn the key steps and concepts of feasibility studies.
- (e) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity (30 minutes)
- Evaluating the Business Ideas: Assessing Pro's and Con's (40 minutes)

Materials:

The matrix entitled "Information About Our Business Ideas" posted on newsprint.

Steps:

1. Explain that before taking a vote to determine which business ideas will be studied, it is important for the group to have a chance to discuss the pro's and con's of each of the business ideas and answer any left-over questions.
2. Tell participants that this is the time for them to be honest and voice any concerns or special enthusiasm they have about the business ideas. Explain that the program aims for consensus, and if not consensus, a minimum of 75% support for a business idea before taking it through a feasibility study. Because of this, it is important that participants who want to make a plug for a particular idea, or who feel strongly against a particular idea, use this time to make their opinion known.
3. Start by asking if participants have any questions they first need to have answered about the businesses.

4. Going around the room, ask each participant to list one pro and one con for each business on the list. Write these next to each business on the matrix.
5. Ask for open discussion and debate.

- **Voting on Our Top Choices (30 minutes)**

Materials:

Three different colors of sticky dots; the matrix entitled "Information About Our Business Ideas."

Steps:

1. Give each participant a set of five sticky dots (3 of one color, and one each of different colors). Ask participants to write their names on all five dots. Explain the ranking of each color: For example:

Yellow:	First choice, second choice, third choice
Red:	Fourth choice
White:	Fifth choice

2. Tell participants that they have five minutes to stick their dots alongside the names of their top five business choices. Remind them that choices #4 and #5 are back-ups, in case one of the other business ideas doesn't work out.

3. Before voting, ask participants if they have any questions about the voting procedure.

4. When participants are finished, evaluate the choices. With any choices that have close to unanimous support, work with the group to identify what stands in the way of consensus. Ensure that the most popular three choices have at least 75% of votes. In other words, ensure that 75% of the group would in fact stick with the process if any of the three businesses were ultimately chosen. If not, the group needs to decide whether to:

- a) Eliminate an idea or bump it to back-up status.
- b) Continue discussion in order to try and increase votes for the idea(s).
- c) Reduce from three to two the number of businesses that will be studied in the feasibility phase (this option is discouraged!).

5. When finished, clearly mark the businesses chosen for research and the back-up choices. Ask group members, especially those whose first choice may not have been accommodated, how they feel about the process.

6. Explain that it is our hope that people whose first choices are not represented will stick with the process, remembering the values that the group has articulated for itself and the goals the group has for building the business.

7. Congratulate the group for finishing Step One of the feasibility study! Mark the occasion in a way that is appropriate to the group.¹

- **Identifying Committees (10 minutes)**

Steps:

1. Explain that the businesses chosen represent the ideas that will now be studied throughout the rest of the workshop. Each idea will be studied by a separate committee, although all the groups will learn the same skills and undertake the same tasks.

2. In order to create the committees, post the three ideas on three pieces of newsprint in different parts of the room. Ask participants to gather underneath the idea they are most interested in.

3. Ensure that the number of people in each group is fairly even. If the groups are uneven, ask members of the more popular groups to move to another less represented group.

- **Break (10 minutes) Note: Facilitator needs to meet with Process Observer during the break to review group process.**

- **The Feasibility Study: Key Concepts (35 minutes)**

Materials:

Hand-out from Training #1 entitled "The Feasibility Study."

Steps:

1. Remind participants that the importance of feasibility studies is to make sure we don't throw our money into a bad business. Because business development is such a lengthy, costly and risky process, we conduct feasibility studies to assess the strengths and weaknesses of particular business ideas.

2. Explain to participants that we will now do an exercise to explore concretely what feasibility means and how it is assessed and also to define key business terms and concepts that will be used throughout the training.

3. Review the following scenario:

¹ Facilitators should think about appropriate ways to celebrate the end of each step in the feasibility process. One idea is to have the seven steps listed on paper and posted all over the walls; as each step is finished, a big checkmark can be placed next to it, or the paper listing the step can be circulated around the room and participants can write down their feelings about the process or outcome of carrying out the step.

"You all are thinking of opening a business in your neighborhood. Let's take the example of X [one of the businesses the group is considering].

- Do you think people are going to buy that product/service? Why will they buy it? What leads you to believe that people will buy it?

- Explain the concept of customer demand.

- Explain the importance of research to ensure that demand actually exists.

- Is someone else already producing that product? How do you know?

- Explain the concept of competition.

- Explain the importance of research to ferret out who the competition is.

- Now you know that there is demand for your product, and the competition is not too bad. This means that there is a good likelihood that a market exists for your product/service.

- Explain the concept of market.

- What's the next most important question to answer about your business idea? ... You want to know if you can make a profit. What does it mean to make a profit?

- Revenues or income exceed expenses or costs.

- What kinds of things will fall under your costs or expenses?

- Brainstorm a list of costs (include rent, equipment, transportation, salaries, health benefits, ingredients, other supplies like packaging, insurance, telephone, utilities, etc.).

- Post a figure for costs on the newsprint.

- Differentiate start-up and operating costs.

- Now you know your costs. Let's look at how to figure out your income. What determines your income?

- Number of products or services sold (x) price.

- [Facilitator should do quick math here to figure out numbers for break-even; facilitator needs to come up with a number of products/services (X) and a price (Y)]

that will result in income that equals the cost figure calculated above]. What happens if you sell (X) number of products/services at (Y) price?

-Explain the concept of break-even.

- Now, you want to make a profit, not just break-even. How do you know what price to charge? Can you charge \$? and make a huge profit? Why not?

-Explain the importance of taking into account account not just your costs, but also what the competition is charging in order to figure out a good price.

- Let's say your competitors are charging \$?. If you charge the same, what will be your total revenues or total income?

-This is gross profit, the money that comes without considering costs.

- But don't forget, you have to pay your costs. If you subtract your costs from your total revenues/income, what are you left with?

-Explain the concept of net profit.

- If your main competitor suddenly drops her price from \$? to \$? and you do the same, what will happen to your revenues?

-Explain the concept of loss.

- Is this business "feasible" at the \$? rate? At the \$? rate? (use two rates, one at which you make a profit, one at which you are losing).

4. Summarize the activity by explaining that the ideas explored in the activity are the key concepts we will be working with during this training series. Ask participants to refer to the hand-out entitled "The Feasibility Study." Review the definition of feasibility and the remaining six steps, pointing out how the steps relate to the activity just completed.

- **The Feasibility Workbook & Report Form (30 minutes)**

Materials:

The Feasibility Workbook; newsprint showing the basic outline of a business plan (the facilitator needs to develop this, and can draw on the business plan outline on the hand-out entitled "Business Development Stages" from Training #1).

Steps:

1. Ask participants to refer to the Feasibility Workbook. Open to page one with the heading "Welcome to the Feasibility Study."

2. Review the explanation of how the workbook is structured: Explain that as we move through the remaining six steps of the feasibility study, participants will be collecting information in the Feasibility Worksheets first, and then later will transfer that information into the Feasibility Report. The worksheets in the Workbook are designed to guide participants through the research process.

3. Review the Feasibility Report form with participants.

4. Point out that program participants, together with the business consultant, will work to answer questions about customer demand, competition, costs, income, and profit for each of the business ideas we study. Emphasize that participants will not have to do all of the work, but rather that they and the program will determine what information they can obtain and what information will be left for staff or the business consultant to obtain.

5. Ask participants to look at the newsprint showing the outline of a business plan. Point out how the contents of the Feasibility Report feed into the Business Plan, which will be developed if the participants decide to continue on after this introductory training series. The Business Plan is an important planning tool and is also necessary to obtain financing for the business.

6. Tell the committees to take five minutes to fill in the information. Point out that not everyone in the committee has to fill in their own workbook, and that one of the questions they have to answer is about who will be responsible for the master copy.

7. When the committees have finished, ask them to identify who is responsible for the master copy. Emphasize the importance of this role and make sure all committees have back-up plans.

8. Explain that in the next training, we will continue with Step Two of the feasibility process, looking at customer demand and competition.

- **Evaluation (10 minutes)**

Steps:

1. Ask participants the following questions:

a) About the content of the training:

- what did people like about the training?

- what did they dislike?
- was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #8

Step 2: Exploring the Market & the Competition & Research Skills: Learning How to Create a Research Plan

Objectives: By the end of this training, participants will:

- (a) Understand the concept of a "market" and the factors that affect markets, including customer demand and competition.
- (b) Learn key steps in creating a research plan.
- (c) Develop a plan for conducting research about customer demand and competition.
- (d) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- **Welcome/Check-In/Review of Agenda (10 minutes)**
- **Choosing a Process Observer (5 minutes)**
- **Trust Building Activity (30 minutes)¹**
- **Introduction to Tonight's Training (5 minutes)**

1. Explain to participants that we are officially on Step 2 of the feasibility process, namely "Exploring the Market and the Competition." Another way of asking this question is "Is there a market for our product/service?" Ask participants why they think it is important to answer this question.
2. Tell participants that there are two main factors that have to be studied in order to answer this question: customer demand, and competition. Whether or not there is customer demand for our business, and what the level of competition is, will affect in a major way whether or not our business can succeed.
3. Point out that answering this question will also provide us with another important benefit: we will be able to define our business idea more clearly. While doing competition research we may find, for example, that within the housecleaning business

¹ Instead of a trust-building activity, facilitators can also consider an activity that emphasizes the importance of cooperation, planning and leadership as a preface to the section on research and planning skills. An example of such an activity is "Zapatos Perdidos," see Appendix 3.

many businesses are doing generic in-home services, but no one is doing non-toxic cleaning. So after we have collected research on customer demand and competition we will be better able to define our business ideas.

4. Tell participants that the following activity will help them think more about the factors that influence whether or not someone will buy their product or service.

- **Activity: Understanding Competition & Customer Demand (35 minutes)**

Materials:

The hand-out "Will People Buy What we Plan to Sell? Exploring the Market & the Competition."

Steps:

1. Tell participants that the facilitator will read a scenario to help people think about the factors that influence whether or not people will buy our product or service.
2. The facilitator should read the following scenario:

Melba has decided to start a bakery business in her home town of East Palo Alto. Her family has always told her that she bakes the best *pan dulce* in the world. Her friend, Amelia, has a retail space on the main street that she is willing to let Melba use for very little rent money every month. Melba is excited and quickly makes plans to open her business.

In two months, Melba has gotten the loans and equipment she needs to open from family and friends. She has a big "Grand Opening" day, where she sells bread and *pan dulce* at discount prices, and lots of people come in. Over the next few days, however, the number of people drops off. She takes a walk around the neighborhood and notices that there are two other Mexican panaderias in a two block area of her bakery. She sees people going in and out of these panaderias all day long. In addition, she notices that one neighbor always buys bread at the local Safeway market. Another neighbor buys only whole wheat bread from a bakery 2 miles away. Melba worries about getting people to come into her bakery. She needs to find a solution to her problem soon otherwise her bakery will fail.

3. Debrief the scenario by asking the following questions:

- a) What do you think the problem is? Why aren't people coming in?

Possible responses include:

- Too many panaderias already exist in the area....too much competition, and not enough demand for another business.
- Her prices might be higher than the other places.
- Her hours could be bad.
- The quality of her bread might not be very good.
- She might have bad customer service skills.
- She may not have done any/enough advertising.

b) There are many factors that could be affecting her business. How can Melba find out what the problem is?

Possible responses include:

- Do a survey of customers, community members.

c) What customers/community members should Melba survey? Should she survey anyone in the community?

Point out that:

Melba needs to survey those people her product is targeted towards. In this example, the targeted customer is Latino, low-income, and living in East Palo Alto. Note that a crucial first starting point is to be clear about who you are targeting your business toward. Once you are clear on who your target customer is you can do research on that group to find out all kinds of important information.

d) What questions should Melba ask her target customers?

Responses might include:

- Where do you shop for pan dulce?
- What products do you buy?
- What prices are you willing to pay?
- What does high quality pan dulce taste/look like?
- What products do you want that you are not able to find right now?
- What would make you shop at my store?

e) Look back at your answers to the very first question. Outside of talking to target customers, what else could Melba do to find out more about why her business is failing?

Point out that:

Melba should also check out the competition, especially to find out what exactly they're doing to pull people into their businesses.

f) Think back to the story. What competition did Melba notice as she looked around her neighborhood?

Point out that:

It is crucial to check out both direct competitors, like the corner bakery store, and indirect competitors, like the local Safeway market. In many businesses, indirect competition now constitutes one of the major threats, for example the Price/Costco companies that are selling a huge variety of products at close-to-wholesale prices.

g) Let's assume Melba does her research into customer demand and competition. Without knowing what she finds out, what do you imagine her options might be to save her business?

Responses might include:

- Move to a new location.
- Try to improve her business, either make the product or the service better than others.
- Provide a new product/service that the others don't provide. For example, she might find that there are many people like her neighbor who want to buy whole wheat bread locally but they can't find it.

h) Let's examine each of these options more closely: Her first option is to move to a different location. If she decided to move, where can she move to?

Point out that you cannot locate a business where there is no demand for a product. So the factors of location, product and customer demand are strongly intertwined. Unless Melba is willing to go through a training process to learn how to make breads and baked goods that other ethnic groups want, she would have to re-locate to another Latino area.

i) Her second option is to make improvements either to the service or to the product (to market her business better). This is the strategy of good marketing. What could Melba do to make her panaderia competitive with the others?

Responses might include:

- Change her hours to make her bakery more accessible.
- Provide friendlier service.
- Improve the taste of her product.
- Donate products to the community.
- etc.

j) Her third option is to find a new, unique product that will distinguish her panaderia from the others. This is the strategy of finding a market niche. What ideas do you have for Melba?

Responses might include:

- Use healthy, natural, whole-wheat products for all her baked goods.

4. Draw out the key points of the exercise:

a) Before starting a business, it is crucial to investigate customer demand and competition. If Melba had done this, she might have made very different decisions about her business before opening it up.

b) Four factors are closely and continuously intertwined: product, location, customer demand and competition. (Draw these on newsprint). The product you are going to produce tells you who is going to buy it, which in turn tells you where you might need to be located, which in turn will reveal who your competition is going to be. When you are thinking about your business, you have to look at these four factors and see how they work together.

c) There are several steps that any group should go through when trying to find out if people will buy what you plan to sell. Ask participants to refer to the hand-out entitled "Will People Buy What We Plan to Sell?" and review it.

5. Tell participants that we will talk about how to research these questions for their own business ideas after the break.

- **Break (10 minutes) Note: The facilitator needs to meet with Process Observer during the break to review group process.**

- **The Research Process: Identifying Research Questions and Sources of Information (1 hour)**

Materials:

Laminated forms of the feasibility worksheets on competition and customer demand, one set for each of the three businesses; participants' competition and customer demand worksheets; hand-out entitled "How to Plan, Conduct & Evaluate Research"; matrix entitled "Information About Our Business Ideas," from Training #6.

Steps:

1. Explain to participants that the case of Melba points out why it is important to do research before starting a business. Melba didn't check out the competition before deciding to open her business. She didn't talk to potential customers to find out what

would make them come to her store instead of somebody else's. If she had done this, she could have avoided some of the problems she encountered. This next section will focus on helping participants learn how to create a research plan and divide up the work amongst each other.

2. Pass out the hand-out entitled "How to Plan, Conduct & Evaluate Research." Ask participants to refer to the section called "Steps in Research." Ask for a volunteer to read through the steps.

3. In the large group, go over each of the steps, filling in details:

a) Identify the information we need to collect:

- Ask participants to refer to the laminated worksheets, which point out the questions that they need to research. Review the questions on the worksheets.

b) Identify what we already know:

- Ask participants if the original site visits (Training #4) or the presentation by the resource person(s) (Training #4) revealed any information about the questions on the customer demand and competition worksheets. Examine the matrix entitled "Information about Our Business Ideas" for such information.
- Write any information in black ink on the laminated worksheets.

c) Brainstorm where to get information we don't have:

- Ask participants to think about how to get information about the questions we can't answer.
- Going question by question, write down potential sources of information in red ink on the laminated worksheet forms.

Possible sources of information about the competition:

- yellow pages
- walk through main commercial district
- local community economic development groups
- banks
- ask community members or family where they shop for the product or service.

Sources of information about whether the competition is increasing or decreasing:

- local chamber of commerce
- compare yellow pages over several years

Sources of information about the competition's services/products:

- impersonate a potential client
- survey workers
- walk through the stores

Sources of information about the typical customer:

- observe a store/business
- talk with workers in the business

Sources of information about customer preferences:

- survey customers
- survey workers
- survey friends/relatives/community members

d) Divide up the work: who will do what, when, where, how?

- Tell participants that they will do this in the next section.

e) Conduct the research.

- Tell participants that they will do this as their homework.

f) Pool the results and draw conclusions.

- Tell participants that this will happen several trainings from today.

4. Remind participants that these are basic steps of research that can be used for any subject the committees are investigating. Tell the group that in the next activity, they will work in their committees to develop their research plans.

- **Committee Work: Planning Research (45 minutes)**

Materials:

Hand-out entitled "How to Plan, Conduct & Evaluate Research"; feasibility worksheets on competition and customer demand; newsprint listing committee instructions (see below).

Steps:

1. Break into committees and explain that the task of committees is to develop their research plan. Ask participants to refer to the hand-out entitled "How to Plan, Conduct

& Evaluate Research," specifically to the section entitled "Steps for Creating a Plan of Action." Review each of the planning steps with the participants.

2. Ask committees to refer to the newsprint listing their instructions. Tell committees that they need to:

- a) Review the questions that need to be answered.
- b) Identify the strategies they will use to collect information.
- c) Plan their research (who, what, when, where, how).

Note: The facilitator may want to share with participants the homework assignment and upcoming timeline, since these may impact how they decide to divide up the work.

3. If possible, facilitators should divide up so that there is one facilitator per committee. Facilitators should ensure that:

- a) Committees understand the questions they need to answer.
- b) Participants choose research strategies that are reasonably easy to implement.
- c) The work is divided as fairly and efficiently as possible among all committee members.

4. Give the committees 15 minutes to meet alone. Then ask the large group to reconvene. Take the remaining 15 minutes to have each of the groups report on its research plan (5 minutes per group).

- **Homework Assignment (5 minutes)**

Materials:

Feasibility worksheet entitled "Competition: Research Tasks"; article on K.A.R.T..

Steps:

1. Tell participants that they have two homework assignments between today and the next training:

a) To collect the information on competition, specifically to complete Questions (a), (b) and (c) on the Competition Worksheet:

- To identify the potential location of the business.
- To make a list of all competitors, including their addresses and the services they offer (based on Yellow Pages or observation only).

- To see whether the competition is increasing or decreasing (based on Yellow Pages research).

Emphasize that participants do not have to conduct any phone interviews or surveys yet, since we will talk about how to do these during the next training.

b) To read an article that talks about market niches or specializations:

- Explain that some successful businesses provide a service or product that makes life easier. These businesses get their start by someone saying, “Gosh, wouldn’t it be great if there were a business that would go to the market and buy food for me!” (or some other thing that we wish we didn’t have to do).
- Ask participants to refer to the article on K.A.R.T. Explain that this very successful business that started a year ago was formed by two mothers who were tired of, or didn’t have time to, pick up their children at school everyday and then take them to soccer practice, girl scout meetings etc. So they formed a driving company for working parents that picks kids up after school and takes them to their after-school activities. They started with just two women, and now have expanded their business to seven employees.
- Explain to participants that we are asking them to read this article because we want them to be thinking about possible niches or specializations as they do their research into the competition and customer demand. As they talk to customers, for example, they should be asking customers about special products or services that customers might want but are unable to find.

- **Evaluation (10 minutes)**

Steps:

1. Ask participants the following questions:

a) About the content of the training:

- what did people like about the training?
- what did they dislike?
- was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer

provides feedback on what was done well as well as what could have been improved?

- the facilitator should also give feedback, as appropriate.

Training #9

Research Skills: Learning Survey & Interview Skills

Objectives: By the end of this training, participants will:

- (a) Learn key research skills including how to conduct interviews and surveys.
- (b) Develop surveys for research into customer demand and competition.
- (c) Increase self-confidence and skill in relating to professionals or "experts" by practicing presentation and interview skills in role plays.
- (d) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity (20 minutes)
- Introduction to Tonight's Training (5 minutes)

Steps:

1. Remind participants that we are in Step Two, researching customer demand and competition for each of the business ideas. Since the last training, participants should have conducted some of their research on the competition. They should have listed whatever information is available about the competition and its specializations in its advertising or promotional materials.
2. Tonight we will focus on some of the skills participants will need in order to research the competition in greater detail and obtain information from customers about their preferences and desires. Specifically, we will learn about how to conduct good interviews, and how to develop and carry out a survey.

- Interviews & Surveys: Key Characteristics (10 minutes)

1. Ask each of the committees to briefly review the strategies it will use to collect information on the competition's services/products and customer demand. Write the strategies down on newsprint. Point out that all committees will have some surveys or interviews to do.

2. Ask participants what an interview is. Explain that an interview is a conversation between two or more persons, in which the interviewer asks questions that have been prepared in advance and the interviewee answers.
3. Ask participants what a survey is. Explain that a survey is a written tool distributed to a number of people. All people are asked to respond to the same questions. Usually participants are asked to respond in writing, but in some cases, like the customer surveys we are proposing, they will be done verbally.
4. Point out the main differences between surveys and interviews:
 - a) In surveys, the questions are fixed in advance and are asked in a fixed order. In interviews, the questions may be reworded or reframed, or ordered differently, according to the flow of the conversation.
 - b) In surveys, the responses are recorded in writing on the survey form. In interviews, responses can be recorded on the form, on a tape recorder, or a notebook.
 - c) Surveys are generally used to obtain quantitative information: For example: 20 customers out of 25 said they would buy from us if our prices were better. Or: 18 customers out of 25 were women between the ages of 25 and 30. By comparison, interviews are usually directed toward obtaining more qualitative information. For example: "In his opinion, the neighborhood problems are the result of poverty."
5. Point out the similarities between both forms of research:
 - a) Both involve advance preparation of questions.
 - b) Both involve advance preparation of an opener and closer.
 - c) Both involve recording responses.
6. Tell participants that the rest of the training will focus on preparing surveys and interviews and learning how to carry them out.

- **Preparing for Interviews & Surveys: Questions & Openers / Closers (1 hour)**

Materials:

Large pieces of newsprint for the groups to use; newsprint listing tips for opening and closing statements.

Steps:

1. Divide the group into its committees and instruct the committees to look at each of the strategies they will be using and brainstorm the questions they want to ask. Tell the groups that they have 25 minutes to prepare their questions. Ask them to list their questions on big pieces of newsprint, in the order they plan to ask them.

For example: If the group wants to collect information from the competition about its services by impersonating a client, what questions should they ask?

For example: If the group wants to survey potential customers about preferences, what questions should they ask?

2. Once the committees are finished, reconvene the large group. Ask each committee to report back the questions they plan to ask. After each committee report, ask the remaining group members:

- a) Are there other questions you think the committee should ask?
- b) Can you suggest a better order for the questions?
- c) Would any of these questions be good to incorporate into your own committee's surveys/interviews?

After each committee report, the facilitator should also give feedback, adding any questions or making recommendations for changing the order.

3. Tell the group that now that they have the questions, they need to prepare openers and closers for their meetings with customers and competitors. In the large group, examine the different strategies the committees plan on using to collect information (ie: surveys, interviews with friendly owner, interviews impersonating a client etc.). Going strategy by strategy, ask the group to brainstorm what information should go into an opening and a closing statement.

4. Point out that--with the obvious exception of impersonations (where participants cannot give their true identities)--opening statements should generally be brief, and include the following contents, in this order (refer participants to the newsprint these tips):

- a) An introduction to who you are.
- b) Background information. For example, in the case of customer surveys, participants will want to mention why they are conducting the study, who they are working with, what the goal of the project is, what will be done with the results etc.

- c) Mention of how long the survey or interview will take, and a question as to whether the interviewee has time to participate.

The facilitator should give an example of an opening statement.

5. Point out that a closing statement should be brief, and generally should include (refer participants to the newsprint these tips):

- a) Thanks to the interviewee for participating and providing interesting and useful information.
- b) Information about what you will be doing next with the information.

The facilitator should give an example of a closing statement.

6. Transition: Tell participants that in the next activity, the whole group will take turns practicing the roles of interviewer, interviewee and process observer, in order to sharpen their skills as researchers.

- **Break (10 minutes) Note: The facilitator needs to meet with Process Observer during the break to review group process.**

- **Role Plays (50 minutes)**

Steps:

1. Divide the group into triads. Tell participants that everyone will take turns playing each of three roles in their triads--the roles of interviewer, interviewee and observer. Clarify the purpose of each role:

- a) The interviewer: Whoever plays the interviewer can choose what scenario to use: that of interviewing a business owner, or interviewing a potential customer, or impersonating a client. The interviewer needs to have the relevant questions, and her opening and closing statements (developed in previous activity), at hand.
- b) The interviewee: Is the respondent. The interviewee should try to be as real as possible, including saying things that might throw the interviewer off.
- c) The observer: The observer watches the interview or survey process, and later gives feedback about what was done well and what could have been done better.

2. Explain to the group that after each person has done their interview or survey and gotten feedback, the roles will switch in the triad. Triads should do this until all three persons have had the chance to practice being an interviewer. Tell the groups that they will have about 10 minutes per role play.

3. After the groups are finished, debrief the role plays:

a) How did it feel to be in the role of interviewer?

- What was hard?
- What does the interviewer think she could have done better?
- What fears came up for participants?
- What ideas do participants have for dealing with problems/fears?

b) How did it feel to be in the role of interviewee?

- What did the interviewer do especially well?

c) How did it feel to be in the role of observer?

- What feedback was the most common in the triads?
- Was it hard to give feedback? Why?

4. If the issue was not raised in Question 3(a), ask group members what fears they have about interviewing business owners or other "experts" or professionals. Ask:

a) What makes a person an expert? What are you an expert at?

- Point out that we're all experts in something!

b) Are experts always right? How do you know?

- Point out that no one is always right. Give examples of famous "experts" who have made major mistakes.
- Discuss how "expert knowledge" is framed by values and perspectives, just as all our knowledge is. Give an example of how one person's "expert knowledge" may be falsities to someone else (a good example is the interpretation of history).

5. Tell participants that the title of "expert" is often used to scare us and make us feel insignificant. It is important to remember that we too have experiences that have given us expert knowledge in areas of life. At the same time, so-called experts are just people too--they eat, sleep, go to the bathroom etc.

6. Ask participants what they might do to increase their self-confidence as they do interviews and surveys?

Responses might include:

- Thorough advance preparation of questions, openers and closers.
- More practice through role plays. Encourage participants to practice on each other before going out to do an interview or survey.

• **Committee Work: Planning Surveys & Interviews (20 minutes)**

Steps:

1. Tell participants that they have 20 minutes to convene in their committees to:
 - a) Review the information they need to collect about customer demand and competition.
 - b) Review their research plans: who will do what, when, where, how?
 - c) Make sure committee members are clear about the questions they need to ask in their interviews and surveys.

• **Homework (10 minutes)**

Steps:

1. Tell participants that their homework is to carry out the research on customer demand and competition. The committees need to do this by Training #12, when they will report their research findings. Ideally, they should finish their research by Training #11, when we will discuss how to sort through data and analyze it.

• **Evaluation (10 minutes)**

Steps:

1. Ask participants the following questions:
 - a) About the content of the training:
 - what did people like about the training?
 - what did they dislike?
 - was anything not well explained or difficult to understand?
 - b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #10

Working in Committees

Objectives: By the end of this training, participants will:

- (a) Critically examine small group process and techniques that promote or hinder democratic participation.
- (b) Critique their own committee process and results to date and brainstorm recommendations for improvement.
- (c) Learn steps committees can take to problem solve.
- (d) Understand the role and power of committees in relation to the larger cooperative.
- (e) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity

No time is set aside here for a trust-building activity since much of this training focuses on improving group trust and process. There is also a 20-minute trust-building activity at the end of the training.

- Introduction: The Function & Power of Committees (10 minutes)

Steps:

1. Explain to the participants that the purpose of this training is to help participants learn about working in a committee. Remind participants that participation in decision-making is central to cooperative work, and that committees are one of the main ways that coops share governance power and spread out the workload.
2. Explain that in coops, committees have different amounts of power. Sometimes they have decision-making power, sometimes they have only the power to make recommendations to the larger group, which then makes the decisions. Regardless of how much power specific committees have, it is important to remember that it is always the larger group which gives the committees a task to do and determines its power.

3. In this training program, the committees have no decision-making power--their purpose is to carry out research on behalf of the larger group, and to make reports and recommendations to that group. This is because the majority of the group (at least 75% of the group) must ultimately approve a business idea if the project is to actually go forward with the program's assistance.

4. Point out that the work of committees is significantly helped when committees have a sound working structure and processes that promote good communication. The training today will address the steps and processes that help committees to carry out their work.

- **Activity: Group Decision-Making & Cooperation (1 hour, 15 minutes)**

Materials:

Two sets of materials for "Making Something" (each set should include six bags containing the following objects: Bag #1: scissors; Bag #2: string and felt tip pens; Bag #3: glue; Bag #4: lots of colored paper; Bag #5: a magazine with many photos; and Bag #6: a large piece of cardboard, at least 2 ft. by 3 ft.)

Steps:

1. Explain to group members that this activity involves the women working together to make something. What they make is not important--what matters is how they do it. Afterwards we will discuss what the group members did well, the problems they experienced, and what they might be able to do better. The purpose of the activity is learn and discuss how to cooperate and make decisions together.

2. Divide the participants into four groups, two of six members, and two of the remaining members. The two groups of six members each will do the "Making Something" game. The other two groups will be the observers. The Makers should not know what the observers are watching.

3. Explain the following to the two groups:

a) To the groups making something:

- Each group will sit at opposite ends of the room.
- Each member will be given a bag containing one of the six materials from the "Making Something" set.
- The group will have 20 minutes to make something together. Members can making anything they like and work together any way they choose.
- Group members can talk to one another but not to the observers.

b) To the groups of observers:

- One group of observers will be matched with one group of Makers.
- The groups making something have been told that they have 20 minutes to create something. They can make anything they like and work however they choose.
- You may not talk to the members who are making something.
- Your job is to watch how the group works together. How do they decide what to do? How do they cooperate? If possible, observers should take notes on what they see.

4. Seat the observers in a circle around the group of Makers. Give each Maker one of the six bags. Tell them to begin. At the end of 20 minutes stop the groups even if they are not finished. Have each group show the other what it's made or begun to make.

5. Bring all the participants back into a circle for discussion. First ask the following questions to the observers. Then ask questions to the participants. Compare their responses. Write all responses down on newsprint under the following categories.

a) Group results:

- What happened in the two groups? Were they able to complete their task?
- What did you like about your results? What could have been improved?

b) Group process:

- How did the group decide what to do? Who made the decision? How? Did the group have a leader or leaders?
- Did everyone participate in discussion and decision-making? Why or why not? What specifically did people do or say that encouraged participation? What hindered it?
- Were all the six materials used? Why or why not? Did all group members contribute their own resources and ideas?

c) Group relationships:

- How did members of each team feel? Satisfied? Frustrated? Why?
- What relationship issues emerged over the course of the activity? What worked about how the group dealt with them? What could have been improved?

6. Point out to group members that the three areas of results, process and relationships are the key issues to think about when working in small groups or committees.

Explain that in the next activity, we will examine these three areas in relation to our work in committees to date. Thank everyone for their work in the activity.

- **Break (10 minutes) Note:** The facilitator needs to meet with Process Observer during the break to review group process.

- **Examining Committee Process & Results to Date (1 hour, 10 minutes)**

Materials:

Hand-out from Training #4 on "Giving & Receiving Feedback."

Steps:

1. Tell group members that we will take some time now to think about how our work in committees has been going. Before starting, explain to participants that it is important that they be as frank and honest as possible. There are only two rules during the discussion:

a) Try to use the guidelines for giving and receiving feedback that we learned earlier. (Ask participants to refer to the hand-out on "Giving & Receiving Feedback," and review if appropriate).

b) Participants cannot drop names of people who are not present in the training today. It is important for all groups to cultivate an ethic of honesty and direct communication. This includes directly addressing those people we have an issue or problem with.

2. Begin with general discussion about committee work and process to date: How do participants feel the committee work is going?

3. Focus the discussion by asking participants to think about the questions of results, process and relationships in their committees and small groups:

a) Re: Results:

- Have groups been able to accomplish the work they are assigned?
- What problems have the groups experienced in trying to complete tasks?
- What could be done to improve the group's results?

Explain to the groups the importance of 1) clear roles and facilitation, and 2) clear steps or instructions in order to accomplish a task. Ask:

1) How have the committees been dividing up the roles? What roles could be assigned within the committees to make the committee's work more efficient (facilitator, note-taker, time-keeper etc.)? If the committees are not

already doing so, encourage them to choose a process observer for their small group meetings.

2) How do the committees feel about instructions they have been receiving for their assignment? Have instructions been clear? How could they be improved?

b) Re: Process:

- What has been the level of participation by group members in the committees? Does everyone participate? Why or why not?
- Why is equal participation in discussions, decision-making and work important?
- What happens when people don't participate?
 - resentments, conflict
 - work doesn't get done, or less work is done (can have long-term financial impacts)
 - morale sinks
 - lack of commitment to the outcome
- What hinders participation in the groups?
- What promotes participation?
- What can the committees do to ensure better participation by all?

Explain to group members that there are many different ways in which people can participate. A common mistake in groups is to equate participation with talking a lot. Participation doesn't necessarily mean talking a lot (in fact, talking a lot usually hinders participation!). Participation means pulling your weight in the work of the coop, and it means checking in and letting group members know where you stand on an issue. This could mean giving support, being opposed, or choosing to abstain.

c) Re: Relationships:

- How do people feel about their work in the committees? Do they feel like their presence and opinions are valued, listened to, ignored...?
- What kinds of things create group tension and conflict?
- What kinds of things promote group cohesion?
- Do group members feel that they are developing supportive relationships with each other? What could be done to promote this?

4. Ask participants if anyone in the group would like to give feedback to someone in their committee right now, with the help of a facilitator. Encourage participants to use this opportunity to give feedback in a supportive environment, where our goal is to

help each other learn to communicate our frustrations, fears and joys better. If a participant volunteers, find out who she would like to give feedback to. Ask that person if she is ready to receive feedback. If yes, the process can proceed. If no, the facilitator should tell the two parties to find a time outside of the training when the feedback session can take place with the support of a facilitator.

- **Trust-Building Activity (20 minutes)**

Materials:

Small paper bags, pieces of paper and pencils (enough of each for every participant).

Steps:

Wrap up the evening by doing a brief activity:

1. Pass out paper bags, paper and pencils to all participants. Ask each participant to write her name on the bag. Then tell participants to pass the bags to the person on their left. As each bag comes around, the participants' instructions are to write something positive about the person whose bag it is. Their comments should focus on a positive contribution that they think that person makes to the group.
2. When everyone has finished writing, ask participants to read the notes in their bag silently.
3. Ask participants if anyone in the group wants to share any thoughts about the training or this activity.

- **Evaluation (10 minutes)**

1. Ask participants the following questions:

- a) About the content of the training:

- what did people like about the training?
- what did they dislike?
- was anything not well explained or difficult to understand?

- b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?

- the facilitator should also give feedback, as appropriate.

Training #11

Research Skills: How to Analyze and Report Data

Objectives: By the end of this training, participants will:

- (a) Learn how to sort through data, extracting that which is pertinent and leaving aside data that is irrelevant.
- (b) Learn how to analyze data, interpreting its meaning or implication.
- (c) Apply analytical skills to their own research findings.
- (d) Learn the steps involved in formulating a recommendation and presenting it effectively to the larger group.
- (e) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity

There is no trust building activity in this training due to time limitations.

- Introduction to Today's Training (5 minutes)

Materials:

Hand-out entitled "How to Plan, Conduct & Evaluate Research," from Training #8.

Steps:

1. Ask participants to refer to their hand-out from Training #8 on "How to Plan, Conduct & Evaluate Research." Looking at the section entitled "Steps in Research," point out that in their research into customer demand and competition, participants should now be at the step 6, "Pool research results, draw conclusions and make recommendations."
2. Explain to participants that the purpose of today's training is to help them make sense of the information they have collected so far. We will focus on learning skills for sorting through information, deciding what's important and what's not, and looking at it critically to determine its value.

3. Point out that today's training is in preparation for the next session, when committees will be doing reportbacks on the results of their research.

- **Activity to Stimulate Thinking About Information Processing (25 minutes)**

Materials:

Several copies of a newspaper story about a business that succeeds, with the headline cut off and the article cut up into pieces; blank paper; glue.

Steps:

1. Divide participants into two's or three's. Tell them that their task is to put the story back together so that it makes sense. Give the groups glue and paper so they can stick it back together in the order they think is correct.

2. When participants are finished, ask them to post their stories and have the group quickly compare how the stories were re-assembled.

3. Ask the group the following questions:

- a) How did you know what pieces to put where?
- b) What do you think is the headline or central message of this story?
- c) What does the story say about why this business succeeded?

4. Draw out the main points of the activity.

a) Many of the mental skills you had to draw upon in this activity are skills used in research.

b) For example, the first thing you had to do when you read through diverse information in the article was to sort it and put it into a logical order so that it made sense to you. We sort by putting "like" information together. Once we have sorted it and put it into a logical order, we are able to look at it more clearly and find its central meaning.

c) Another skill you had to draw upon in this exercise is analysis. In order to find the headline for the story, you had to ask: "What is the main message that this article is trying to convey?" To answer this you had to weigh the information, interpret it, decide what the main message might be. Another way in which you had to use analytical skills was to answer the question: "Why did this business succeed?" You again had to look at various pieces of information, weigh them, and then come up with an answer. Every time we ask the question "why," we are asking an analytical question, a question that asks us to go beyond the facts to actually interpret them.

d) These processes, of sorting, classifying and analyzing, are research skills that we actually practice all the time in our daily lives. For example, when you are

out looking for a childcare provider, you have to sort and balance all kinds of information--cost vs. quality vs. convenience--before you can make a decision.

e) While we use these mental skills almost daily, research into business issues can become more complex and difficult to deal with. Today we'll focus on learning tools to help us in this process.

5. Explain to participants that in the next activity, we will look at formal steps for classifying, analyzing and summarizing data.

- **Steps in Summarizing & Analyzing Data (1.5 hrs)**

Note: This activity requires some advance preparation. If possible, the facilitator should obtain the research findings of one of the committees in advance, and post them on newsprint. Participant's findings may be scattered or organized or something in-between, depending on how much sorting and classifying the group already did. If a committee's findings cannot be obtained in advance, the facilitator will need to use hypothetical data. Because of the uncertainty about the materials at hand, the facilitator needs to be flexible and adapt the activity accordingly.

Materials:

The hand-out from Training #8 entitled "Steps to Plan, Conduct & Evaluate Research," specifically the backside entitled "Steps in Sorting & Analyzing Data;" research results of one of the committees, posted on the relevant laminated feasibility worksheets; a laminated version of the committee's customer survey; the feasibility worksheet entitled "Customer Demand: Analysis;" laminated versions of the analysis worksheets on customer demand and competition.

Steps:

1. Explain to participants that this next section will focus on data sorting and analysis. Ask participants what data is. Point out that data is another way to refer to the results of research.

2. Ask participants to refer to the hand-out entitled "Steps to Plan, Conduct & Evaluate Research," specifically to the section on the back of the hand-out entitled "Steps in Data Sorting & Analysis." Point out that there are five main steps participants need to take in order to make sense of their data. Read or ask a participant to read through each of the five steps: Sort or classify; synthesize; quantify; analyze and draw conclusions; report findings and conclusions.

3. Tell group members that we will now work through these steps with the customer demand research results of one of the committees. Use the following process:

- a) Begin by asking a committee member to describe what business the committee is researching and what the committee did to obtain customer demand information.
- b) Go through the five steps to sort and analyze data:
- i) The first step is to sort and classify.
 - Define "classification."
 - Ask participants how they would classify the information from the customer surveys?
 - Classify the results of the customer survey by entering customers answers into the laminated customer demand survey form.
 - ii) Point out that the next step is to synthesize.
 - Define "synthesis."
 - Ask participants how they would synthesize the information on the surveys?
 - Synthesize the information the committee collected on the laminated customer demand feasibility worksheet.
 - iii) Point out that the next step is to quantify.
 - Note that some data lends itself to quantification, while other data does not.
 - Quantify that data which is available.
 - iv) The next step is to analyze and draw conclusions.
 - Ask participants to refer to their hand-out entitled "Customer Demand: Analysis." Refer to the laminated version of this posted on the wall.
 - Tell participants that this section specifically asks analytical questions, designed to get them thinking about the overall meaning of their research.
 - Go through each of the questions (b, c and d) with the group and answer, pointing out how different pieces of information are being weighed and interpreted (ie: analyzed) in order to answer the questions.
 - v) The final step is to do a reportback and prepare a recommendation.
 - Review the five components of doing a reportback.
 - Point out that the recommendation is based on the conclusions drawn in the previous step. In our case, the recommendation involves deciding between the three options of continuing with a business idea, modifying it or rejecting it in favor of another one.
 - Ask the group to make a recommendation, based on what they know at this point.

5. Explain that reportbacks are an "art" in and of themselves. In the next activity, we will practice doing reportbacks and recommendations to the large group.
6. Congratulate the group for having done an excellent job of sorting and analyzing its first set of data! Explain that the committees will do the same process of sorting and analysis with their results on competition as their homework assignment.
7. Before wrapping up, ask participants how they feel about the process of sorting and analyzing their data:
 - a) Do they feel like they know what they need to do?
 - b) Do they have any questions about the process?

- **Break (10 minutes) Note: The facilitator needs to meet with Process Observer during the break to review group process.**

- **Making Committee Recommendations to the Large Group (45 minutes)**

Materials:

Hand-out entitled "Steps to Plan, Conduct and Evaluate Research."

Steps:

1. Tell participants that we will now practice making recommendations to the large group. Refer participants to the last paragraph on the hand-out, entitled "Steps in Data Sorting & Analysis." If appropriate, point out again the five components of a reportback and recommendation.
2. Ask the group as a whole to quickly brainstorm the content of the reportback and recommendation. The facilitator should write down the group's suggested responses for each component.
3. Tell participants that we now have the outline of what needs to go into a reportback. Tell participants that reportbacks have two important aspects:
 - a) The content, or what you need to say.
 - b) The process, or how you say it.
4. Ask participants to study the facilitators as they do an example of a "bad" reportback. Afterwards we will ask participants to criticize the role play and suggest improvements.
5. The facilitators should do a role play of a reportback, using the same information used throughout the training. The facilitators should make a point of rambling on,

giving tedious detail about each customer surveyed, reporting unnecessary information, and perhaps making a recommendation that is contrary to the evidence gathered etc.

6. After the role play, ask participants to evaluate it:

a) Was that a good recommendation? Why or why not?

b) What makes for a "good" recommendation?

c) If we were to do the role play again, what are the key pieces of information that need to be mentioned for each component of the reportback?

7. On newsprint, write up the contents of a "good" reportback.

8. Ask for two participants to volunteer to actually give the new, "good" reportback. Give them 3 minutes to divide up, organize and practice their presentation. Tell them that they will have a maximum of five minutes to do the reportback.

9. After the presentation is done, ask other participants to critique the presentation:

a) What was done well?

b) What could have been done better?

c) Was anything said that didn't need to be said?

d) Were the different presentations clear? Were they brief and to the point?

e) Did you understand why that particular recommendation was made? Was it backed by the facts?

10. Thank the volunteers for their role play. Ask participants if they have any questions about the process of giving reportbacks and recommendations.

• **Homework (10 minutes)**

Materials:

The feasibility worksheets entitled "Competition: Analysis" and "Customer Demand Analysis;" hand-out entitled "Preparing Committee Reports."

Steps:

1. Explain to participants that their homework is to meet with their committees, process their research findings and prepare committee reportbacks, following the steps we learned in today's training.

2. Review the worksheets entitled "Competition: Analysis" and "Customer Demand: Analysis" that committees have to fill out for their homework. Make sure participants understand how to answer the questions.
3. Explain that once they have filled out the analysis worksheets, they should prepare the reportbacks. Ask participants to refer to the hand-out entitled "Preparing Committee Reports." Review the steps again, quickly. Remind the group that they should plan their reportbacks before the next meeting, and that the reportbacks should be no more than 10 minutes long.
4. Before wrapping up, give the committees information about what will happen in Training #12:
 - a) Remind committees that they have three choices for a recommendation: to continue with the current idea, to modify it or to replace it with an alternate idea.
 - b) The group as a whole has ultimate decision-making authority. The group will also have three choices: to accept the recommendation, reject it, or ask for further information. Committees need to remember that they don't have decision-making power, and that their job is to reportback their findings as clearly and concisely as possible.
 - c) Finally, encourage the groups to keep their minds open about the businesses at this point. Remind participants that they are only on Step 2 of the feasibility process, and that it is too early to make definite decisions. Only overwhelmingly negative evidence should lead them to toss an idea out at this point.
5. If available, participants should be encouraged to use computers for pooling their research results. They can more easily manipulate and plug in data using the computers, and make the reports quickly available.

- **Evaluation (10 minutes)**

Steps:

1. Ask participants the following questions:
 - a) About the content of the training:
 - what did people like about the training?
 - what did they dislike?
 - was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #12

Step 3: How Do the Businesses Operate?

Objectives: By the end of this training, participants will:

- (a) Reportback their research findings on customer demand and competition.
- (b) Learn about the concept and component parts of "business operations."
- (c) Identify key questions about business operations that each committee needs to research.
- (d) Develop a research plan to obtain information about business operations.
- (e) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity (40 minutes)
- Reportbacks on Customer Demand and Competition (1 hour)

Materials:

Newsprint listing the steps for doing reportbacks.

Steps:

1. In the large group, check-in with members about their homework assignments. Make sure all of the committees were able to complete their assignments.
2. Post the steps for doing reportbacks on the wall, so participants can refer to it as needed. Remind the group that each committee will have 10 minutes to do its reportback, followed by 5 minutes of discussion and group evaluation of the recommendation.
3. After each reportback, the facilitator should stimulate group discussion around three areas:
 - a) Possible niche ideas:
 - What ideas were laid out by the committee?
 - Do group members have any other ideas for niches or specializations?

- What additional information might be necessary to find out if it makes sense to pursue a niche?

b) The recommendation:

- How do group members feel about it?
- Does it make sense in light of the findings and the group's discussion?
- What does the group recommend to the committee at this point?

c) Clear definition of the business and the products/services it will provide.

Summarize each reportback with a clear statement about the business and what it will do.

4. If participants cannot agree on a recommendation, or feel that they need more information, remind the group that it has only completed the first of numerous steps involved in determining feasibility. They may want to do more research at this point since there will be many opportunities in the future to stop and re-evaluate the group's business choices.

5. If the facilitator feels it is important for the group to formally accept, reject or modify the current business choices, she should follow the steps outlined in the footnote below.¹

• **Break (10 minutes) Note: The facilitator needs to meet with Process Observer during the break to review group process.**

• **Learning about Business Operations (45 minutes)**

¹ The guidelines for a group decisions to continue, reject or modify the business ideas being researched are as follows:

- Remind participants that the program requires that at least 75% of group members support an idea in order for it to continue to be studied. "Support" means interest and willingness to work in that business if it were found to be financially feasible. Support is measured by asking for a vote of hands, although as much as possible the goal is to strive for consensus.
- At the end of discussion about each idea, ask for a show of hands about the committee's recommendation.
 - a) If voting is unanimous in favor of a business, announce that there is consensus.
 - b) If voting is unanimous against a business, tell the group that they will need to choose either a modified or an alternate business idea.
 - c) If voting is not unanimous:
 - ask those opposed to the recommendation what their opposition is based on.
 - ask those opposed what action(s) would alleviate their concerns.
 - try to achieve consensus.
 - if consensus cannot be reached, the business stays if at least 75% of participants want to continue studying it, and goes if at least 75% of participants feel that it should be dropped.
- If the vote is evenly split (a 75% majority cannot be achieved), or if the group unanimously votes against a business idea, then the group should be directed to look at its alternate choices and pick one. Again, it is necessary for at least 75% of the group to support an alternate idea in order for it to be chosen.
- If businesses on the alternate list are chosen, the facilitator needs to ensure that the following occur:
 - a) The old committee is dissolved and a new one formed, preferably with the same members.
 - b) The new committee sets aside time to meet and make plans for gathering data on each of the feasibility steps covered to date.

Materials:

The feasibility worksheets entitled "Business Operations: Research Tasks;" laminated versions of the business operations worksheets, one set for each business idea.

Steps:

1. Explain to the group that the term "business operations" refers to all of the different parts of the business--everything that makes it possible for the product or service to be produced and delivered to the customer.

2. Using one of the business ideas being researched, ask participants to think about everything that it takes to get that product/service into the customers hands, from beginning to end. As participants come up with the categories (ex: workers), these should be listed on newsprint. If participants need help, the following questions can guide the discussion:

- a) Who made it? (workers, managers)
- b) What is it made of? (supplies/materials, include packaging)
- c) How was it made? (the production process)
- d) What equipment/machinery is used? (equipment/machinery)
- e) What other resources were needed to produce it? (money; utilities, including electricity, water)
- f) Where was it made? (facilities)
- g) How did it get to the store? (transportation)
- h) What ensures that people buy it? (advertising/marketing)

3. After listing all of the main categories, point out that there are many other questions we can ask about each of these components in order to get a fuller picture of how the business operates. Ask participants to imagine that they are going to interview the owner of a company in the same business they are interested in. What questions would they want to ask about each category? For example, additional questions about the workers might include:

- a) How many workers are needed?
- b) What kind of training do they require?
- c) How much do workers in this business earn?

4. After brainstorming questions, pass out or ask participants to refer to the "Business Operations Worksheet." Point out that participants identified many of the key questions about business operations that need to be investigated.

5. Explain that the worksheet is laid out in a interview or questionnaire format, because participants will have to conduct site visits and interviews in order to collect the information. Review the worksheet, making sure that everyone understands the

questions that need to be researched and adding any additional questions that participants came up with.

6. Transition: Explain that in the next activity, participants will develop a plan to collect information on the operations of their business idea.

• **Developing a Research Plan to Obtain Information about Business Operations (30 minutes)**

Materials:

Hand-out from Training #8 entitled "Steps to Plan, Conduct & Evaluate Research."

Steps:

1. Ask participants if they remember:

- a) The steps involved in conducting research.
- b) The steps involved in creating an action plan.

2. Ask participants to refer to the hand-out from Training #8 entitled "Steps to Plan and Conduct Research." Review the research steps and tools for creating an action plan.

3. Tell participants that they will now make a plan of action for collecting information about business operations. In the large group, review research step 3: Have the group brainstorm different ways they might collect the information they need.

4. Divide into committees. Tell the committees to take 20 minutes to decide on their plan of action. Instruct the group that they must conduct at least two, and preferably three, interviews with business owners or managers. This is because they will need to cross-check and compare information from different businesses in order to build a realistic picture of what the business looks like. After they have done their interviews, they will need to find time to get together, compile their results and complete the worksheet entitled "Business Operations: Analysis." Tell committee members that they have until Training #15 to conduct the research and finish the reports.

5. Reconvene the large group. Ask each committee to report on its plan of action. Make sure that the committees have made a timeline to get back together to share their results, fill out the "Business Operations: Analysis" worksheet, and prepare a reportback.

• **Homework Assignment: Participants**

The homework is to conduct the business operations interviews, as outlined in the above activity.

- **Homework Assignment: Facilitators**

Facilitators may need to help the committees make contact with business owners and set up the interviews.

- **Evaluation (10 minutes)**

Steps:

1. Ask participants the following questions:

a) About the content of the training:

- what did people like about the training?
- what did they dislike?
- was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #13

Decision-Making in a Cooperative¹

Objectives: By the end of this training, participants will:

- (a) Learn about different methods of decision-making and evaluate their applicability to different contexts.
- (b) Learn basic principles of consensus decision-making.
- (c) Practice consensus decision-making with a hypothetical issue.
- (d) Practice process-observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust Building Activity

There is no trust-building activity due to the length of this training.

- Introduction to Topic (5 minutes)

Steps:

1. Welcome participants to the training on decision-making. Explain to participants that they will need to make many decisions during the course of the training program, and that this training is designed to help them think about decision-making methods and practices that help individuals and the group to grow.

2. Ask group members to brainstorm a few decisions they have already had to make. Write these down on newsprint. Then ask group members:

- a) How were those decisions made?
- b) How did group members feel about the decision?

¹ Most of the material in this training was obtained from "Building United Judgement: A Handbook for Consensus Decision-Making," published by the Center for Conflict Resolution, Madison, WI. This is an excellent publication that is essential reading for persons interested in consensus. Facilitators using this curriculum who are unfamiliar with consensus should consult this publication before implementing Training #13.

3. Explain that in this training we will explore different kinds of decision-making methods, their advantages and disadvantages. We will focus on learning some principles of consensus decision-making because we believe it is the method of decision-making that most supports the goals of coops.

- **Role Play: Methods of Decision-Making (45 minutes)**

Materials:

Instructions for the role plays written out on cards for group members (see below); the hand-out entitled "Decision-Making Methods."

Steps:

1. Explain to group members that they will now do role plays to look at the differences between three main kinds of decision-making: autocratic, majority rule and consensus.

2. Divide participants into three groups. Explain that the three groups will all practice making a decision about the same issue:

"The business where you work has been having problems with worker tardiness. Some kind of action has to be taken to address the problem. The task of each group is to arrive at a solution using a different method of decision-making."

3. Give each group the instructions below. Explain that the groups will have 15 minutes to try to arrive at a decision:

a) The Autocracy group:

- The facilitator should give one person in the group a card with the following instructions:

You are the CEO of the company and as such you make all important decisions. You have already decided that the solution is to implement a "Two Strikes & You're Out" policy. You want to appear democratic, however, so you decide to ask your workers (the other members of your group) their opinions. You hold a meeting and start by announcing who you are and what the problem is. You ask your workers for their ideas. While some of their ideas might be good, you stick with your solution, knowing that you have a "global," long-term perspective on the problem while your workers do not. At the end of the meeting you tell the workers what the new rule will be.

- The facilitator should give the remaining group members a card with the following instructions:

You are a worker in the company, reporting directly to the CEO. The CEO comes to you and other workers to ask your opinions about the problem of tardiness. You know the workers and their circumstances better than the CEO. Your task is to think about the problem, come up with creative solutions, and offer them to the CEO during the meeting.

b) The Majority Rule group:

- The facilitator should give each group member a card with the following instructions:

You are a member of a cooperative that makes decisions by majority vote. This means that over 50% of the group needs to support a decision in order for it to become effective. Your task is to participate in the discussion about the problem of tardiness, contribute your ideas for solving it, and when discussion is over, vote on the solution you believe is best.

Note: If your group can't get a majority in favor of any one solution, you need to keep talking until a solution is arrived at that can garner over 50% of the votes.

c) The Consensus group:

- The facilitator should give each group member a card with the following instructions:

You are a member of a cooperative that makes decisions by consensus. This means that everyone in the group needs to support a decision in order for it to become effective. In consensus the goal is not to find the "best" (most popular, most rapid....) solution, but rather to find a solution that is agreeable to everyone in the group. This means that the solution you end up with might not be your first choice, but you can live with it. Your task is to participate in the discussion about how to solve the tardiness problem, contribute your ideas, make proposals for solution, and help the group try to arrive at agreement.

Note: If your group can't arrive at an agreeable solution, keep talking! Brainstorm other possible solutions, merge different solutions to come up with creative, new ideas, etc. etc. Your group cannot make a decision until everyone agrees to support it.

4. When 15 minutes are up, reconvene the large group. Ask one member from each group to reportback the decision that was arrived at and how the decision was made.

Clarify the three types of decision-making that were explored and the instructions that were given to participants.

5. Debrief the role plays. Going group by group, ask participants the questions below. Write up participants' responses on newsprint.

a) How did the process that your group used to make a decision make you feel?

b) What assumptions, beliefs and attitudes underlie that particular method of decision-making?

- What are the assumptions about people, their skills and abilities?
- What are the beliefs about power?
- What are the assumptions about the goal of decision-making?
- What are the attitudes individuals adopt?

c) What are the advantages of the method your group used? What are the disadvantages?

d) Under what circumstances do you think the autocracy method might be appropriate? Under what circumstances might majority vote be most appropriate? Under what circumstances might consensus be the most appropriate?

6. Ask participants to refer to the hand-out entitled "Decision-Making Methods." As appropriate, the facilitator should add information from the hand-out about the advantages and disadvantages of the different methods.

7. Explain to participants that many cooperatives use consensus as the preferred method of decision-making. Referring to the hand-out, emphasize the following aspects of consensus decision-making:

a) The goal of consensus, unlike the other methods, is a decision that builds unity in a group. The decision itself is as important as the process by which it was made.

b) Full consent does not mean that everyone is totally satisfied with the final outcome--in fact, total satisfaction is rare. The decision must be acceptable enough, however, that everyone will agree to support the group in choosing it.

c) Consensus is not without conflict. But although a consensus group may experience intense disagreement, behind the conflict is an assumption of

cooperation: People are committed to working together to meet everyone's needs as best they can.

8. Explain to group members that the rest of the training will focus on consensus decision-making methods. This program believes that it is important for coops to have a long-term goal of using consensus because it is, in fact, the most inclusive and most democratic method of decision-making. It is the most rewarding, and also the most challenging. It forces individuals and groups to grow much more than other mechanisms of decision-making. Since coops ideally strive to meet both economic and social goals, consensus is the most appropriate method of decision-making.

9. Tell participants that in the next section, we will explore further some helpful tools for using consensus and actually practice consensus with a hypothetical idea.

- **Break (10 minutes) Note: The facilitator needs to meet with Process Observer during the break to review group process.**

- **Simple Guidelines for Practicing Consensus Decision-Making (20 minutes)**

Materials:

The hand-out entitled "Rights and Responsibilities of Individuals in the Consensus Process."

Steps:

1. Ask participants to refer to the hand-out entitled "Rights and Responsibilities of Individuals in the Consensus Process."

2. Review or ask a participant to review the hand-out.

3. Ask participants if they have any questions before moving into a role play in which they will actually use these tools.

- **Practicing Consensus Decision-Making (40 minutes)**

Materials:

Newsprint detailing the scenario/issue that must be resolved; the hand-out entitled "Steps for Making a Decision Using Consensus."

Steps:

1. Tell participants that the group will now practice consensus with a hypothetical issue. Post the following scenario on newsprint and read it aloud:

You have a housecleaning cooperative and need to decide on a customer service policy. Most businesses have a policy of "the customer is always right." When workers receive a complaint from a customer they are usually penalized. Often this results in unwarranted punishment of workers, since customers are, of course, not always right. Your coop is meeting tonight to decide on its own policy. You must use consensus as the decision-making method.

2. Explain to the group that we will do a role play to try to arrive at agreement. The facilitator will help move the group through the process. Ask for two volunteers to act as observers, watching for respect of the group's groundrules as well as the attitudes discussed above.

3. The facilitator should begin the role play, using the steps outlined in the hand-out entitled "Steps for Making a Decision Using Consensus:"

1. Review the agenda: The facilitator does not need to do this for the purpose of the role play.

2. Clarify the issue to be resolved.

3. Agree upon timeframe for the discussion, and a fall-back position (if appropriate): The facilitator should specify that the group has 30 minutes to arrive at a decision. For the purposes of this exercise, the facilitator should not ask the group about a fallback position.

4. Provide relevant background information: The facilitator should describe the policies used by most housecleaning businesses.

5. Begin discussion: The facilitator should ask group members to begin the discussion about the type of policy that would be appropriate for the coop. The facilitator's role during the discussion is to promote broad participation among all members of the group, using strong facilitation skills.

6. The facilitator probes for agreement when it appears that all viewpoints have been expressed: The facilitator should state the proposal toward which the group appears to be moving, and test for consensus.

7. Group members voice their response: If there is agreement, then consensus has been reached. If there is not agreement, the facilitator needs to explore reasons for opposition, ask group members to think about ways to address the concerns, and try to help the group formulate

new proposals. The facilitator needs to keep testing for agreement until agreement is reached or the time runs out.

8. A decision is reached, either through consensus or majority vote.

4. When the role play is over, congratulate the group on their first experience using consensus decision making. Tell participants that we will now explore what the experience was like for them.

- **Debrief the Role Play (55 minutes)**

Materials:

The hand-out entitled "Group Conditions that Support Consensus;" the hand-out entitled "Steps for Making a Decision Using Consensus."

Steps:

1. Ask participants how it felt to make a decision using consensus:

- a) What was difficult about the process?
- b) What was rewarding and positive?
- c) Were participants able to think about disagreement as a positive rather than negative force? Did anyone feel personally put down when their idea was criticized?
- d) If someone used their power to block:
 - Ask that person why they decided to block. Did she think through her opposition carefully? On what grounds did she decide to block?
 - How did blocking make the other participants feel? Do they think the reasons given justified the use of blocking? If no, what else could have been done?
- e) How do participants feel about the outcome? Who was satisfied? Who was unsatisfied? How would they feel if majority vote had been used?
- f) How do participants feel about each other after the experience? How would they feel if majority vote had been used?

2. Remind the group that the goal of consensus is a decision that builds unity in a group and that is consented to by all participants. As mentioned earlier, full consent does not mean that everyone is totally satisfied with the final outcome--in fact, total satisfaction is rare. The decision must be acceptable enough, however, that everyone will agree to support the group in choosing it.

3. Ask the process observers to discuss how well group members did in upholding the responsibilities outlined previously:

- a) What did participants do to promote the process of building agreement? Ask the observers to mention concrete behaviours and statements.

- b) What kinds of statements or attitudes impeded reaching agreement?
4. Ask group members how they feel about using consensus as the decision-making method for their group? What fears/concerns do they have? What do they like about the idea of using consensus?
- a) Point out that consensus is not for everyone. Many groups choose not to use it because of its requirements, while other groups that are using it maybe should not be because they are not ready for it.
- b) Ask participants to refer to the hand-out entitled "Group Conditions that Support Consensus." Review the hand-out with participants.
- c) Explain that it is a good idea for new groups to build up toward using consensus rather than to plunge in right away. In new groups, there is the danger that lack of trust, shared vision, or personal commitment to the group will enable some members to negatively manipulate the consensus process. A new group can begin by practicing consensus with less important decisions. Later, when members feel that the conditions described in the hand-out are being met by the group, consensus can be adopted as the standard method of decision-making.
5. As a final question, ask participants to think about the steps that the facilitator took, from beginning to end, to try to build agreement within the group.
- a) Write down participants recollections of the facilitator's steps.
- b) Ask participants to refer to the hand-out entitled "Steps for Making a Decision Using Consensus." Review the hand-out with participants.
6. Tell participants that in the next activity, we will think about how consensus may or may not apply to our work during this training program.

• **How Does Consensus Apply to the Decisions the Group has to Make during the Training? (10 minutes)**

Steps:

1. Explain to group members that we do not expect a new group to begin using consensus right away. However, we would encourage all of the committees to apply the attitudes, conditions and steps that consensus uses, since this will help group members learn consensus principles and will result in better group process.

For example: At the end of this training series, participants will have to make a decision about which business idea to pursue. This is a difficult decision to apply consensus principles to, because it is a personal decision that each member has to make for herself. However, the techniques of consensus learned today can be helpful in the decision-making process: If 60% of group votes for one idea, for example, consensus techniques can be used to probe the factors that 40% of participants are opposed to: What are the participants' concerns? What would it take to address them? What new proposals can be put forward, incorporating the expressed concerns?

2. Ask participants if they have any questions about the consensus process or its applicability to their work.

- **Homework (10 minutes)**

Materials:

The hand-out entitled "In Order for Me to Commit to Working with This Group to Start a Business....."

Steps:

1. Remind participants that their committees should be setting up and conducting the business operations site visits by this point.

2. In addition to the site visits, explain that we want participants to fill out a questionnaire in preparation for the next training.

3. Ask participants to refer to the hand-out entitled "In Order for Me to Commit to Working with this Group to Start a Business...." Review the hand-out, making sure that participants understand the instructions.

4. Tell the group that the purpose of doing this assignment is to evaluate where we are both individually, as a group and as a program at this point in the training. The homework provides participants with an opportunity to raise significant problems and propose solutions that hopefully can be implemented before the end of the training. The idea is to identify problems before they become so serious that they impact the viability of the group.

5. Emphasize that participants need to be as honest as possible both in evaluating themselves, their co-workers and the program up to this point. If they are frustrated with group process or with individual's level of participation, they need to state this and try to find solutions with the group.

6. Tell participants that the assignment needs to be completed for the next training.

- **Evaluation (10 minutes)**

1. Ask participants the following questions:

a) About the content of the training:

- what did people like about the training?
- what did they dislike?
- was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #14

Who Am I? What Do I Need? Sharing About Ourselves & Our Needs from Each Other

Objectives: By the end of this training, participants will:

- (a) Share personal information about themselves and talk about formative life experiences.
- (b) Discuss what they need from themselves, from the group and from the program in order to commit to working to start a business.
- (c) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity: How I became Who I Am... (1 hour)

Materials:

The questions for "How I Became Who I am..." (below) listed on newsprint.

Steps:

1. Tell participants that this activity involves thinking about life experiences that have been significant or pivotal in shaping who they are today. The purpose of doing this exercise is to get to know each other better and to increase our understanding of how each of us has come to be who we are.
2. Give participants 5 minutes to think about the following questions:
 - a) What was the most significant event in your life when you were young? How did it shape who you are today?
 - b) What was the most significant event in your life when you were a teenager? How did it shape who you are today?
 - c) What has been the most significant event in your life as an adult? How did it shape who you are today?

3. In the large group, ask participants to share the significant experiences in their lives with the rest of the group. Give the group the following guidelines:

a) Sharing is totally voluntary... Anyone who isn't comfortable speaking can remain quiet. However, we strongly recommend sharing life experiences since other people will come to know and understand us better.

b) Every time someone speaks we will pass to them a special rock (or other symbol). This is the speaking rock.

c) When a person is speaking, no one may interrupt her. When she is finished, she can state whether or not she will accept any questions or comments from group members.

4. When everyone who wants to has spoken, close the activity by thanking participants for sharing intimate, sometimes painful information about themselves. Explain how important such sharing is in helping a group to weather rough times and continue working together over the long run. When we know each other better, we can be more patient, tolerant and supportive of our individual needs, quirks and differences.

• **Evaluating Group Progress To Date: "What I Need In Order to Commit"** (1 hour, 50 minutes)

Materials:

Participants' filled-in homework assignments entitled "In Order for Me to Commit..."; newsprint version of the hand-out entitled "In Order for Me to Commit...."; guidelines from Training #5 entitled "Giving & Receiving Feedback."

Steps:

1. Ask participants to refer to their homework assignments, the charts entitled "In Order for Me to Commit..." Explain that in this activity, we will be doing a mid-point evaluation of ourselves, each other and the program, in order to identify significant problems or issues and seek possible solutions.

2. Tell participants that the guidelines for this activity are as follows:

a) Participants should use the guidelines for giving and receiving feedback that we learned earlier. (Ask participants to refer to the hand-out on "Giving & Receiving Feedback," and review if appropriate).

b) People cannot drop names of people who are not present in the training today. It is important for all groups to cultivate an ethic of honesty and direct

communication. This includes directly addressing those people we have an issue or problem with.

c) It is essential that people are honest and frank in sharing their opinions and feelings. Although this is often difficult, the healthy survival of coops depends on it. If people aren't committed to honest and open communication, problems will fester and affect the motivation and effectiveness of the group.

3. Ask participants to share their responses to the questions on the charts. (If the facilitator wishes, she can do this process anonymously: Tell participants to put their charts for "I Need the Group to..." and "I Need the Program to..." into two piles in the center of the circle, then shuffle the charts, redistribute them around the room, and ask participants to read off the issues on each chart). The facilitator should move chart by chart, asking all participants share responses to Chart a), Chart b) etc. Hold off on discussion until all responses have been listed.

4. Discuss the issues raised. Begin with the chart for "I Need the Group to....," and end with the chart for "I Need to..." (If there is not enough time, the latter chart can be left out, since it will mostly refer to issues and solutions that individuals need to undertake for themselves). For each chart, do the following:

a) Clearly define each issue. (Participants may have listed vague responses such as "I need the group to participate fully in the training." The facilitator should explore whether this refers to the fact that some participants are not carrying their weight, or whether the group as a whole lacks motivation, etc.)¹

b) Ask how many people in the group feel this is an issue?

c) Why is it an issue (what's happening)?

d) Ask what the proposed solution is. Do other participants have solutions they want to suggest?

e) Find out whether the group can reach agreement on a solution. (Take a vote, if appropriate).

¹ In the WAGES' pilot project, participants were fairly vague about their needs from the group, despite the fact that there were significant differences among members about their roles, time commitments etc. If the issues are clearly spelled out, this activity can be useful in helping group members to identify their expectations from each other as co-workers and partners in business. For example, if there is a serious case of slacking off on the part of one or more group members, this activity can help to identify expectations, sound a warning, and provide people with a timeline to get their acts together.

f) If applicable, ask the group to define a timeline for implementing the solution.

5. Close the activity by thanking participants for their honesty and commitment to each other as a group. Ask if there is anyone in the group who feels uncomfortable with the outcome of any discussion. If so, ask the person to share her concern. The facilitator should decide whether the issue needs to be addressed in the group setting (in which case time needs to be set aside to do so in a future training) or on a one-on-one basis.

- **Homework (15 minutes)**

Materials:

The feasibility worksheet entitled "Business Operations: Analysis."

Steps:

1. Check in with the committees about their progress in conducting the interviews on business operations. Tell committees that their homework before the next training is to:

- a) Finish their interviews;
- b) Fill out the feasibility worksheet entitled "Business Operations: Analysis" and prepare reportbacks.

2. Review the "Business Operations: Analysis" worksheet with participants. Answer any questions they may have.

3. Tell participants that the reportbacks should be no longer than 15 minutes in length. Review the guidelines (from Training #11) for doing reportbacks and recommendations:

- **Evaluation (10 minutes)**

Steps:

1. Ask participants the following questions:

- a) About the content of the training:
 - what did people like about the training?
 - what did they dislike?
 - was anything not well explained or difficult to understand?

- b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #15

How will Our Business Operate? Clarifying Group Goals for the Business

Objectives: By the end of this training, participants will:

- (a) Reportback their research into business operations.
- (b) Examine their own goals in relation to business operations, including job creation goals, salaries, schedules, desired skill levels, work environment etc.
- (c) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity

See "Values & Identity: Where Do You Stand," below.

- Reportback on Research into Business Operations (1 hour)

Materials:

Filled-in homework assignments, the feasibility worksheet entitled "Business Operations: Analysis;" guidelines for doing reportbacks, posted on newsprint.

Steps:

1. Tell participants that they will do reportbacks on their research into business operations. Make sure all of the committees were able to complete their assignments.
2. Post the steps for doing reportbacks on the wall, so participants can refer to it as needed. Remind the group that each committee will have 15 minutes to do its reportback and recommendation, followed by 5 minutes of discussion and questions and answers. Tell the group that we will hold off on evaluating committee recommendations until the end of today's training.
3. During each reportback, write down the "red" and "green" flags identified by the committees on newsprint.
4. After each reportback, ask group members whether they have any questions.

5. The facilitator should add to the list any "red" or "green" flags she has picked up on that the group might not have identified.

6. Transition: Tell participants that the committees' reports highlighted some of the "red" flags, or concerns, that committee members are identifying as they become more and more familiar with the business they are studying. These concerns may be shared by a few, many or all participants--the important thing at this point is to come to agreement on those "flags" that the group feels strongly about--issues like wage levels, number of jobs created, working hours, and the working environment. These issues are crucial to consider when deciding whether to drop a business idea, modify it or continue to research it. The goal of the next activity is to identify key "flags" and to come to agreement on them.

• **Values & Identity: Where Do You Stand? (30 minutes)**

Materials:

Masking tape for drawing a long, straight line on the floor. The line should be marked with "Strongly Agree" on one end, "Strongly Disagree" on the other end, and "Neutral" in the center; newsprint listing all of the values questions (below).

Steps:

1. Tell participants that we will now do a silent exercise to explore some of their beliefs around work and business. The facilitator will read a statement, and then participants should place themselves on a continuum between strongly agree and strongly disagree, with the center line as neutral. Emphasize that there is no right or wrong answer. Participants should take a look at where they stand, and look around to see where others stand as well. After the activity, we'll discuss their impressions.
2. Read the following statements out loud and wait until participants have placed themselves on the continuum before moving on to the next question.

1. I am willing to sacrifice a lot in order to help a business get started.
2. I want to have a BIG business.
3. I want to work with friends.
4. The primary goal of my being in business is to make money.
5. I prefer work that allows me to move around a lot.
6. I like new challenges and learning experiences in work.
7. I need stability and security in my life and in my work.
8. I want my business to be an expression of myself and my values.
9. I need to be clear about what I'm getting into before making a decision.
10. I like working and specializing in one area.
11. I am comfortable working in a management role.
12. I can work with people who are very different than I am.

13. I will never compromise quality to make more money.
14. I want to work close to where I live.
15. I am willing to take unknown risks to start a business I believe in.

3. Debrief the activity. Ask participants:

- a) How did that feel?
- b) Were you surprised by your own responses to any of the questions? By other peoples' responses?

4. Discuss in greater detail the purpose of the activity and its implications for the group. Before starting, emphasize that no one value is better than another...the values we choose are indicators of our personalities but also of the circumstances in our lives, which are often fluid. Some of us may be able to take income risks at this point, while others cannot. Post the list of values questions on the wall, and review with the group the following:

a) Questions 1, 7, 9, 15:

- Address issues of risk and commitment in starting a business. Are you able/willing to deal with risk and unpredictability in starting the business? Or do you need stability and clarity at this point in your life? How much can you sacrifice for a business that you're really excited about?
- Some of the issues participants are likely to confront in this area:
 - The business may start slowly. Not everyone may be able to work, and even among those working, not everyone may be able to work full time right away.
 - There are likely to be trade-offs as far as the risks each business involves. Some businesses may have less risk but be less interesting to participants. Other businesses may be far more interesting but carry far greater risk.

b) Questions 2, 4, 8, 13

- Address issues of goals/motivation for going into business, particularly the tension between the idea that the goal of work is to make money vs. the goal of work is to be personally satisfied with what you do and the product you create.
- Some of the issues participants may confront in this area:
 - Again, the choice between different businesses and the trade-offs that accompany them, for example a business that allows you to earn more money vs. a business that is personally more satisfying.

c) Questions 3, 12

- Address issues of who you can best work with, particularly whether you prefer to work with friends (who are like you in some way) vs. people who are very different than you.

- Some of the issues participants may confront in this area:
 - Working with friends can be great and it can be very challenging....Your relationships with friends can change, sometimes drastically, when you develop a working relationship with them. This is particularly true if one person in the relationship ends up having a position that is managerial or supervisory in some way.
 - The groups will have to bring in other people at many points. It's valuable to think about the contributions that people who are different than you can make, especially in running a business. People with different backgrounds and perspectives may enrich the process of developing and building a business. For example, at the CheeseBoard Bakery, some employees are in their jobs because they love food, while others love the collective aspect of the business. Both of these types of people are necessary for a cooperative business to succeed, yet they may be very different people. On the other hand, it is important that new members who are brought in share the basic values and philosophy and goals of the business. Without these shared standards, there can be great conflict in the workplace.

d) Questions 5, 6, 10

- Address issues relating to the quality of the work and the work environment, in particular whether you prefer work that is sedentary vs. physical, and whether you prefer to rotate jobs in a business vs. keep one job and specialize in it over a long period of time.
- Some of the issues participants may confront in this area:
 - Some businesses require moderate to intense physical activity. Participants need to think about whether they are able or willing to do physical work.
 - Some businesses lend themselves more than others to having workers rotate jobs. For example in the CheeseBoard Pizza all workers learn all the tasks and then rotate them, while at Inkworks Press the jobs are so skilled that rotation on a regular basis would be very difficult.

e) Question 11

- Addresses the issue of management, and how we feel about being in a position that some people might see as having authority, especially if it involves authority over co-workers who are friends. No matter what business is chosen, it will likely require one or more persons to have management roles. In a coop, management does not mean greater authority, in fact, management is firmly accountable to the general membership. But still, being a manager usually involves making hard decisions, taking difficult positions, supervising and/or evaluating workers etc.

f) Question 14

- Is fairly straightforward: How important is it to you to work close to where you live? How far would you be willing to commute? This is an issue that will almost certainly arise when participants have to decide which business to choose.

5. Tell participants that some of the values discussed in the activity may apply to the group now, or they may become issues at some later point. In the next activity, we will explore specifically those issues that are "flags" for the group now, looking back at the concerns raised by committee's research into business operations.

- **Break (10 minutes)** **Note:** The facilitator needs to meet with Process Observer during the break to review group process.

- **How will Our Businesses Operate? Clarifying Group Goals for the Business (1 hour, 30 minutes)**

Note: This activity requires flexibility on the part of the facilitator. The activity assumes that the committees, in doing their research, have come up against issues that the group needs to discuss and come to agreement on. [For example, a committee researching a bakery may have found out that the business would require 50% of workers to have late night/early morning shifts. The group needs to find out how the members feel about this: Who would be willing to work such shifts? Are there enough people? What if someone gets sick?] Using the committees' lists of "red flags," the facilitator needs to draw out these issues and generate discussion about them, with the goal of making decisions that can then be used to evaluate the committees' recommendations (whether to continue to study each business, to choose an alternate business, or to modify the current idea).

Materials:

The list of red and green flags identified for each business, posted on newsprint.

Steps:

1. Post the lists of red and green flags for each of the business ideas, and ask participants to reflect on the list. First, ask if there are any other aspects of the businesses (not listed) that are of concern to members? Which ones? The facilitator should add these to the list of red flags.
2. Then, ask group members to silently select two issues in each business that are of greatest concern to themselves.
3. Ask each participant to read off their top concerns. Put check-marks next to the concerns, and when all participants have spoken, identify the top two concerns in each business (if there are overlapping concerns between the businesses, participants can

identify additional concerns, for a total of six). Tell participants that these will now be discussed.

4. Starting with one business, work through each of the issues of concern to group members. The facilitator should allot about 10 minutes per issue. Ask group members:

- a) How do other members feel about this issue?
- b) What options does the group have to deal with this issue effectively?
- c) Etc.

5. After probing each issue as thoroughly as possible, the facilitator should review the committee's recommendation on the business, and try to achieve consensus on whether to accept, reject or modify the recommendation. The facilitator should follow the voting process outlined in the footnote in Training #12 in order to ensure that a majority of participants are in agreement about continuing, dropping (and replacing) or modifying the three business ideas being studied.

6. Once the group has come to agreement on the recommendations, the facilitator should congratulate the group again for its hard work. Celebrate the end of Step 3!

7. Tell participants that in the next training, the group will be able to move to the next phase of feasibility research, namely estimating costs and income for the business.

- **Homework Assignment: Participants**

The training schedule includes a Saturday site visit to coops in between this training and Training #15. If this timeline is followed, participants should be instructed to think about and develop a list of questions in preparation for the site visits. The purpose of these site visits is to see a coop in operation and talk to one or more workers, focusing on organizational and membership issues.

- **Homework Assignment: Facilitator**

The facilitator needs to write up a summary of the groups' goals for the business, identified in this training (and perhaps also in Training #1), and distribute the report to participants. The goals will need to be referenced when committees are writing up their final Feasibility Reports for each business.

- **Evaluation (5 minutes)**

Steps:

1. Ask participants the following questions:

a) About the content of the training:

- what did people like about the training?
- what did they dislike?
- was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #16

Calculating Business Expenses

Objectives: By the end of this workshop, participants will:

- (a) Be able to differentiate between types of business costs including start-up, operating and fixed vs. variable costs.
- (b) Learn about projections and profit and loss statements, and how information about expenses and income fits into the profit and loss statement.
- (c) Develop a plan to obtain information about costs for each of their business ideas.
- (d) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- **Welcome/Check-In/Review of Agenda (10 minutes)**
- **Choosing a Process Observer (5 minutes)**
- **Trust-Building Activity (10 minutes)**
- **Introduction to Tonight's Training (5 minutes)**

Steps:

1. Ask participants to refer to the introductory hand-out showing the seven steps of the feasibility study. Remind participants that they have now completed steps one-three, and are ready to move to Step 4 on calculating business expenses, and then Step 5, on calculating income.
2. Explain that we will start by looking at the different kinds of business costs, and then review an important financial tool called a Profit and Loss Statement. It is important to look at the profit and loss statement because it will help participants understand the end-result of their work over the next several sessions.
3. Once we have looked at profit and loss statements, we will do some exercises to practice calculating the different kinds of costs our businesses may incur.

- **Learning about Different Kinds of Business Costs (15 minutes)**

Materials:

The hand-out entitled "Business Financial Terms."

Steps:

1. Using one of the business ideas that is being studied, ask participants to think about what kinds of expenses or costs that business may have. List these on a piece of newsprint. If participants do not mention them, make sure that at least one example of a start-up (ex: equipment), operating (ex: salary), fixed (ex: rent) and variable cost (ex: a material or supply) are included.
2. Ask whether these costs are incurred all the time or just on a one-time basis. Point out and define the difference between operating and start-up costs.
3. Refer to the costs identified as operating costs. Pointing to specific items, ask whether these costs would increase or decrease depending on the amount of a product sold (for example, in a bakery business the expense associated with producing a loaf of bread would increase if sales increased, but salaries -- in theory -- would not). Note the difference between fixed (or overhead) costs, and variable costs (or costs of goods sold).
4. Pass out the hand-out entitled "Business Financial Terms," and explain that most of the business terms we will be working with are defined on the list.

• **Profit & Loss Statement (1 hour)**

Materials:

The hand-outs entitled "One-Month Profit & Loss Statement: Tamara's Tamale Business," and the one year profit and loss statement for "Revere Academy of Arts."

Steps:

1. Ask participants if they remember how profit is determined. Remind them that:

$$\text{Profit} = \text{Income} (-) \text{Expenses}$$

2. Explain that a Profit and Loss Statement does exactly that: calculates income minus expenses in order to determine whether or not a business can make a profit or a loss.
3. Ask participants if they have ever seen a profit and loss statement before. Ask what it is used for. Explain that the profit and loss statement can be used for two different purposes:
 - a) To show profit or loss of a business over the past year.
 - b) To project future expenses, income and profit or loss.
4. Explain that for the purposes of the feasibility study, we will do profit and loss statements to project profit or loss over the first few years. Ask participants what a "projection" is. Prompt them as follows:

- a) What is your (x) current income?
 - b) What do you think your income next year will be?
 - c) On what basis are you making that estimate?
5. Explain that a projection is like an educated guess. A business projection is the same. Point out that in order to make a projection for a profit and loss statement, you need to know three things:
 - a) You need to have a method for estimating income from sales.
 - b) You need to know what it will cost you to operate your business (operating costs).
 - c) You need to know what you will need to start the business (start-up costs).
6. Pass out the hand-out, "One Month Profit and Loss Statement." Start by reviewing the definitions of key categories: For example:
 - a) What is income? Where does income come from?
 - b) What are COGS?
 - c) What are expenses?
7. Then review the two kinds of profit that are listed on the statement: gross profit and net profit. Define the differences between the two.
8. Go through the statement, line item by line item, explaining the assumptions that each figure is based on. For each line, refer to the explanatory footnote. Ask participants:
 - a) What is a footnote?
 - b) Why is a footnote important? (It clarifies how you arrived at a figure; shows that you've done your research; it's important for loans and technical assistance from banks etc.) Explain that a profit and loss statement should be very clear, and that a reader shouldn't have to guess at anything.
9. When finished, ask participants what they think about the profit projected for Tamara's Tamale business. Point out that this is a very hopeful projection! Most businesses are unlikely to make a profit, let alone cover their costs, during the first year of operation. Explain that we will now look at another profit and loss statement, this one for a twelve month period and reflecting an actual business.
10. Ask participants to refer to the profit and loss statement for Revere Academy of Arts. Tell participants not to freak out! This is just a more complicated version of the simple profit and loss statement we saw before.

11. Point out that the twelve month statement is in spreadsheet format. Ask if anyone knows what a spreadsheet is used for. Explain that a spreadsheet is important because it allows you to see financial information over time. Most projections are done for a 12- or 24-month period, to reflect, for example, fluctuations in costs during particular seasons.

12. Walk through the spreadsheet for the month of January, line by line.

13. Note that the "Net Profit" for January is in fact a loss, of \$11,150. Ask participants to look across the spreadsheet at the net profit for the other months. Ask the following questions:

a) Do all months show a loss?

No. Show that some months do show a profit, but that the year overall shows a loss.

b) Why do some months have a loss, and others a profit?

Note that income, COGS and expenses are different at different times of the year. Point out that repayment of start-up costs is a major depressing factor on profits during the first months.

c) Why might there be a sudden drop in income from June to July (from \$15,000 to \$9,000)?

Note that June is likely the busiest tourist month in SF, as well as a month when many people get married.

14. Point out that this is a fairly typical profit and loss statement for the first year of a business. It is not uncommon for a business to suffer this kind of loss the first year. Note that on paper, this business looks fairly good. A bank might look at this and decide to loan for the following year given a fairly good picture for the first year.

15. Ask participants if they have any questions about the profit and loss statement. Explain that the business consultant will be helping them to obtain the information they need for the statement and also to make the statement itself, so they shouldn't fret about remembering everything today.

• **Break (10 minutes) Note: The facilitator needs to meet with Process Observer during the break to review group process.**

- **Identifying Costs for the Business Ideas¹ (1 hour)**

Materials:

The feasibility worksheet entitled "Estimating Costs: Research Tasks;" newprint versions of these worksheets, one set for each business idea.

Steps:

1. Tell participants that we will now review the worksheets on costs that each committee will need to work on for its business. Ask participants to refer to the feasibility worksheet entitled "Estimating Costs: Research Tasks." Point out that:

- a) There are three separate worksheets: one for start-up costs, one for operating costs and one for variable costs.
- b) The worksheets list standard items. The committees will need to revise the sheets for their own businesses, scratching out costs that don't apply to their business and adding in costs that do.
- c) The operating costs sheet has a line for variable costs that should be left blank for now. We will fill in variable costs later because they will be calculated as part of the next training on income.

2. Tell participants that we will now take a few minutes to review the worksheets in greater depth. This is because, in the process of researching costs, participants are going to find that they have many questions that they can't answer--questions that the group needs to discuss and make decisions about. For example, how will they know how to estimate advertising costs if they don't know what advertising methods the group wants to use? As much as possible, we will try to anticipate some of these questions now by reviewing the worksheets together.¹

¹ As stated in the introduction to this curriculum, it is important to emphasize that the difficulty of research in calculating costs will vary depending on the business chosen. Trainings #16 - #20 assume a fairly simple business that produces either one type of product (for example, a tamale business) or one type of service. If participants are researching a more complicated business idea, such as a retail or wholesale business that sells many items, the research process will be much more complex and will almost certainly have to be adapted from the process outlined in this curriculum. Groups using this curriculum should consider Trainings #16 - #20 one model among many that might be used, depending on the businesses chosen and the availability of information.

¹ WAGES' experience indicates that in the process of researching costs and income, many questions arise that the group needs to answer before realistic estimates can be made. For example, a housecleaning coop will need to decide whether workers will supply their cleaning materials or whether the customer will be asked to do so. When calculating income, such a coop will also need to decide whether to charge by the job or by the hour. Although each business raises its own set of questions, it is realistic to assume that extra time will need to be built into the curriculum to address these questions. Some time is allocated in Training #17 for addressing problems related to estimating costs.

3. Moving line by item through first the start-up sheet and then the operating sheet, the facilitator should make sure participants understand exactly what the item is, and should raise relevant questions:

- a) For example: What goes into the "rent" line item for start-up costs?
 - Point out that participants need to know:
 - approximate square footage of the facility they need
 - location
 - estimates of rent for such facilities in such locations
 - Point out also that in the start-up cost, they will need to plug in first and last month's rent, and a deposit.
- b) For example: What goes into the "telephone installation" line item for start-up costs?
 - Point out that the group needs to decide whether the business needs voice-mail. If so, this will increase the start-up cost for this item.
- c) For example: What goes into the "advertising" line item for start-up and operating costs?
 - Point out that the group needs to decide what advertising media to use.
- d) For example: What questions will come up when committees try to get information on insurance costs?
 - Point out that an insurance agent will ask all kinds of questions about size of facility, amount and value of equipment, etc. etc.
- e) For example: How will they estimate their salary amounts? (Remind participants of the "minimum" hourly wage they decided they were willing to accept. See Training #3). Will they give themselves benefits or not?

4. Ask participants how they want to deal with questions that will arise in the research process. Brainstorm possible solutions with the group. Solutions might include:¹

- a) Having the group as a whole make decisions about each item.
- b) Asking resource persons or other business owners what they are doing and/or paying (the ideal would be to use the estimates of comparable businesses with similar resources, numbers of employees, location etc.).

¹ WAGES recommends going with option b) or c), since option a) is more time-consuming and might result in less-informed decision-making.

c) Making committee decisions for the purpose of the estimates, assuming that the large group will have to approve/modify decisions later.

5. Obtain group agreement on the process for making decisions about costs. Emphasize that the most important thing is to keep a list of all the questions that arise and to use the space for footnotes on the backside of the worksheets to write down how they arrived at their figures.

6. Move on to Section (c) Variable Costs. Review the questions and identify for committees the questions they should investigate.¹

7. Ask participants if they have any questions about the worksheets and how to fill them out.

8. Break the group up into committees. Tell participants that they will have fifteen minutes to review the cost worksheets and fill them in as much as possible. They should use past interviews and any other information to come up with expense items and potential costs. Make sure each group appoints a notetaker who writes down any issues/questions that arise.

9. When the committees have finished, reconvene the large group. Going committee by committee, ask each group to report back the information it already has. Also list any questions the committee came up with. The facilitator should note this information on the newsprint version of the worksheets.

10. After all the reports are finished, address each committee's questions. Brainstorm solutions with the group.

11. Tell participants that in the next activity, they will create a plan for researching costs.

• **Committee Work: Developing a Plan to Obtain Information about Costs (25 minutes)**

Steps:

1. Advise participants that the rest of the evening will be spent developing a plan to obtain information about start-up and operating costs for their businesses.

¹ For simplicity sake, this curriculum assumes that the facilitator or consultant obtains most of the information on variable costs. However, as noted in an earlier footnote, depending on the complexity of the business, the group may be able to research some, all, or none of the questions. The facilitator needs to identify in advance what the committees can research and what he/she or the consultant will research, and instruct the group accordingly.

2. Break participants into their small groups. Tell participants that they will have 15 minutes to make a plan to obtain information they still need. Then they will reportback their plans to the large group.

3. When the small groups have finished, reconvene in the large group. Give each group two minutes to report on its plan. After each committee report, the facilitator should:

a) Ask other participants to critique the plan, and point out other sources of information or strategies the group might want to consider.

b) Make sure the group's plan includes time for committee members to get back together to fill in their worksheets and prepare a reportback.

4. If the groups haven't already raised these issues in their reportbacks, point out that in some cases, committees may need to do some math to come up with estimates for operating costs, which need to be for a one-month period only. For example:

a) If they get an insurance estimate for one year, how will they break this into a monthly cost?

- Show participants how to calculate the math.

b) If they get advertising rates that are weekly, how will they translate these into monthly costs?

- Show participants how to calculate the math.

c) If they get several different estimates, how will they decide which one to use?

- Show participants how to calculate an average. Emphasize, however, that in general in their research process, it is better to err on the side of being conservative than to underestimate costs.

5. Reassure participants that they will get assistance whenever they need it. If they find it becomes too difficult to research some cost items, they should keep track of what the items are, and either the facilitator or the consultant will take on the research.

6. Conclude by asking participants if they have any questions about their research assignment. Explain that their homework is to carry out the research.

- **Homework Assignment: Participants/Committees**

Already outlined above.

- **Homework Assignment: Facilitators/Consultants**

Consultants or facilitators may need to conduct some or all of the research into variable costs for each of the business ideas. Most of the information will either come from other existing businesses or from industry catalogues and sources. The feasibility worksheet "c) Variable Costs" identifies four key questions that need to be answered in preparation for Training #18. They are:

- a) What are the variable expense items for each business?
- b) What are the per unit variable costs (ie: variable costs associated with making each product or service)?
- c) What are average daily or monthly sales of the product/service (once the business is up and operating)?
- d) What are the monthly variable costs of the business (can also be calculated by multiplying response to (b) by response to (c))?

In addition, if the facilitator or consultant is doing the research, several additional, related questions should be asked since this information will be required for doing income estimates in Training #19:

- e) What level of sales is realistic for the first year of operation (a month by month estimate would be the most helpful)?
- f) At what point did the business break-even?
- g) What are the inventory requirements for start-up?¹

- **Evaluation (10 minutes)**

Steps:

1. Ask participants the following questions:

- a) About the content of the training:
 - what did people like about the training?
 - what did they dislike?
 - was anything not well explained or difficult to understand?
- b) About the process:
 - ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer

¹ The materials, supplies or inventory needed for the start-up phase are not technically known as variable costs. Inventory is considered to be an asset in most financial statements (because inventory can often be sold back to a wholesaler if the business goes under or can't sell it), and therefore is reflected not in a Profit and Loss Statement but rather in a balance sheet.

provides feedback on what was done well as well as what could have been improved?

- the facilitator should also give feedback, as appropriate.

Training #17

Step 5: Estimating Sales Income

Objectives: By the end of this training, participants will:

- (a) Understand what income is and how it is calculated.
- (b) Learn how to estimate the "break-even" price for a hypothetical business.
- (c) Reportback their research findings on costs.
- (d) Discuss questions relating to estimating costs, and do problem-solving around these questions.
- (f) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity (15 minutes)
- Introduction to Tonight's Topic (10 minutes)

Materials:

A piece of blank newsprint.

Steps:

1. Remind participants of the equation for figuring out whether or not a business can be profitable. Write up on newsprint:

$$\text{Profit} = \text{Income} (-) \text{Expenses}$$

Note that the equation consists of two pieces of information: a) Projected costs or expenses: these were calculated in the previous training and as homework; and b) Projected sales income. Income is the subject of the next few trainings.

2. Briefly review terms to be used in this training. Ask participants:

- a) Who remembers what kinds of expenses there are?
 - Discuss and define start-up vs. operating costs, and fixed vs. variable costs.

- b) What happens if expenses are greater than income?
 - Explain the concept of loss.
- c) What happens if expenses equals income?
 - Introduce a new concept, that of break-even.
- d) Where does income come from?
 - Point out that income comes from sales of products or services.
 - Introduce and write up on newsprint the equation:

$$\text{Income (or Sales)} = \text{Number of items sold (x) price of items}$$

3. Point out that in the training today, we will use a hypothetical business, Bertha's Tamale Factory, to learn about calculating income. First we will calculate the break-even price, or the price at which her sales will equal her costs, and then we will look at how to manipulate factors like price and sales in order to increase income and make a profit.

4. Explain that estimating sales income is the risky part of financial feasibility. It is possible to determine costs fairly exactly, but the volume of sales will always be an estimate. The activities we will do today will help the committees be realistic about their projected sales. If we overestimate sales, we may think a business is profitable when actually it is not.

- **Introduction to Calculating Income¹ (1 hour)**

Materials:

Scenario for Bertha's Tamale Factory, posted on newsprint; hand-out of Income Statement for Bertha's Tamale Factory; three newsprint versions of Income Statement for Bertha's Tamale Factory, with blank lines for the costs and for footnotes; hand-out entitled "Calculating the Break-Even Point: Explanation for Bertha's Tamale Factory;" newsprint showing the three components of break-even analysis, and the formula for calculating break-even (taken from hand-out entitled "Calculating the Break-Even...").

¹ This curriculum approaches the task of calculating income in the following way: first, we calculate a break-even price, using a formula that adds total fixed and variable costs and divides them by a projected number of products/services that can be sold (Training #18). Then, in order to do a more accurate income estimate, we do research on competitor's prices and sales of products/services (homework assignment). Using more realistic price and sales projections, we calculate monthly income for the business and form a one year profit and loss statement (Training #19). Groups using this curriculum should be aware that there are other approaches for doing both break-even analysis and calculating income, and that the approach detailed in this curriculum is appropriate only for certain kinds of businesses.

Note:

The facilitator should have the following information on hand for reference during the exercise:

Footnotes for the Income Statement:

1. Income: (fill in, depending on participant's estimates of amount sold).
2. Variable costs: Assumptions are that: 1 lb. of masa, \$5.00; 1 pound of meat, \$5.00; ingredients for Salsa, \$2.00. Bertha can make 48 tamales for \$12.00; the unit cost is: $\$12 \div 48 \text{ tamales} = 25\text{¢}$ per tamale; monthly variable costs will be 0.25¢ (x) number of tamales plan to sell.
2. Salary: Juana pays herself $\$10/\text{hr} \times 10 \text{ hours (7am-5pm)} \times 4 \text{ Sundays/month}$
3. Gas: $\$60/\text{mo} \div 30 \text{ days/mo} = \$2/\text{day} \times 4 \text{ days/month}$
4. Loan: $\$10/\text{month}$ for purchase of pots and pans for tamale cooking.
5. $\$10 \text{ round-trip/day (taxi)} \times 4 \text{ days/month}$.

Steps:

1. Explain to participants that we will learn about calculating income by using a hypothetical business, Bertha's Tamale Factory, to teach the concepts and practice some math.

2. Ask for a volunteer to read the following scenario, posted on newsprint:

"Bertha has a tamale business. On Sundays she makes tamales with *carne de res* at her home from 7-11am and sells them outside of a nearby church from 11:30-5pm. The church has Spanish mass at 6am (about 50 people go), 9am (about 150 go), 11am (about 250 people go), 1pm (about 325 people go) and 3pm (about 175 people go)."

3. Ask participants to refer to the Income Statement for Bertha's business posted on newsprint. Work through the following exercise. Tell participants that they will receive a hand-out at the end so they do not need to take notes at this point.

a) Start with Fixed Costs/Expenses. Ask participants:

- What are Bertha's fixed costs for one month?
-Review the items and amounts listed.
- How do you think the salary figure was calculated? (How many hours does she work a week? How many a month? How much does she pay herself?)
-Make sure participants understand that $\text{Salary} = \text{Hours worked (x) Wage per hour}$.
-Write in the assumptions on a footnote at the bottom of the newsprint.
- How do you think the gas/electricity was calculated? (What is her total bill? Divide the total bill by the days in the month to figure out a daily amount. How many days a month does she work? Multiply days in the month by amount per day).

-Write in the assumptions on a footnote at the bottom of the newsprint.

- Look at the loan amount....Bertha received a loan to buy pots and pans for start-up and her commitment is to pay back \$10 per month. This amount gets reflected under the fixed costs.

-Write in the assumptions on a footnote at the bottom of the newsprint.

- Look at the transportation amount....We put in \$40 because Bertha needs to take a taxi, which costs \$10/each time, four times a month.

-Write in the assumptions on a footnote at the bottom of the newsprint.

b) Move on to Bertha's Variable Expenses. Ask participants:

- Who remembers what variable expenses are?
- Point out that Bertha's variable expenses are for masa, chicken and salsa. Write these down on the newsprint.
- Tell participants that to find out Bertha's variable costs every month, we need to figure out the cost of each tamale, and then multiply it by the total number of tamales she thinks she can sell every month.
- Start with calculating the cost of each tamale. Note that Bertha has experimented and has found out that with one bag of masa (\$5.00), a pound of carne (\$5.00), and a container of salsa (\$2.00), she is able to make 48 tamales for \$12.00.
- So what does 1 tamale cost Bertha to make, in ingredients?
 - Point out that the equation is: $\$12 \div 48 \text{ tamales} = 25\text{¢}$ each tamale.
 - Explain that this is known as the per unit variable cost.
- Now that we know how much it costs Bertha to make each tamale, we need to figure out how many she can sell a month.
- How many tamales do you think she can sell on any given Sunday?
 - Start by figuring out the total number of people who come out of church while she is selling there:

$$250 + 325 + 175 = 750 \text{ people each Sunday}$$

$$750 \times 4 \text{ Sundays} = 3000 \text{ people each month}$$
- Of the people who go to church, how many will probably buy tamales if she is selling them when they come out of church? Will everyone buy them? How do we find out?
 - Talk about different methods to estimate sales: a survey asking people directly; asking someone else who has sold tamales outside of a church; guessing based on what you know about Latinos coming out of church.
- Estimate figures with the group. Ask participants:
 - How many people out of 10 will buy tamales after church? (Figure out a number for every Sunday).
 - How many tamales will each of those people buy?
 - So how many can she sell each Sunday?
 - How many tamales can you estimate she will sell each month?

(# of people/Sunday (x) # of tamales each (x) 4 Sundays

- Point out that we now know that she will sell approximately (X) number of tamales each month.
- How can this information help us to figure out her variable costs?
 - Multiply the number of tamales sold per month by the cost to make each tamale (.25¢).
- Write this figure down in the Income Statement under Bertha's variable costs. Write in the assumptions on a footnote at the bottom of the newsprint.

c) Move on to calculating Bertha's Income. Ask participants:

- Who remembers what the formula for income is? (Income = # of items sold (x) price).
- Point out that we know about how many tamales she will sell a month, so now we need to figure out her price.
- What price can Bertha charge? Ask participants to think about how they will determine what price to charge for the tamales. List responses on newsprint. Responses might include the following:
 - see what the competitor is charging.
 - figure out how much costs are, and charge enough to cover costs.
- Point out that however people choose to set prices, there is a standard baseline below which prices cannot drop. If prices go under this point, the business will fail. So the starting point for figuring out prices is to calculate your own costs of producing or providing something. Explain that this minimum price, where you price in order to cover your costs, is known as the break-even price. Break-even means that your income from sales equals your costs.

d) Determining break-even for Bertha's business:

- Post a piece of newsprint showing the three components of break-even analysis, and the formula for calculating break-even (see the hand-out entitled "Calculating the Break-Even Point: Explanation for Bertha's Tamale Factory").
- Refer to the newsprint showing the formula for calculating break-even price.

$$\text{Break-even Price} = \frac{\text{Variable costs} + \text{Fixed costs}}{\text{\# tamales sold}}$$

- Tell participants that in order to calculate break-even, you need to know three things:
 - Fixed costs of providing the product or service:

Review Bertha's fixed costs: \$448.00

-Variable costs of providing the product or service:

Review Bertha's variable costs: 25¢ per per tamale.

-The number of items she'll sell:

Review # tamales to sell based on participants' estimates.

- Explain that to find the break-even price, you need to divide your variable costs and your fixed expenses by the number of tamales sold.
- Go through a sample with the group, using the formula above to find the break even price for Bertha's business.
- Fill in the income line of the Income Statement using break-even numbers. Point out that under this scenario, Bertha makes no profit. She breaks even.
- Ask participants what they think about the break-even price. Is it a realistic price for tamales? Can Bertha charge more?
- Tell participants that we will now try to figure out a realistic income for Bertha's business.

e) Calculating income for Bertha's business:

- Ask participants what Bertha could do to make a profit? Responses should include:
 - increase prices.
 - sell more tamales.
- Divide the group up into pairs and have each pair figure out what would happen if Bertha changed the following:
 - she sold the tamales for 50¢ more each?
 - she sold 100 more tamales per month?
- When the pairs have finished, post fresh Income Statements on newsprint and fill in the income information with the new figures. Point out that using these new assumptions, Bertha actually would make a profit.
- Ask participants how realistic these new assumptions are:
 - Can Bertha realistically sell tamales at this higher price? Will people buy them?
 - How many tamales can Bertha realistically make and sell? At what point will she have to hire someone to help her? How will this impact costs and therefore profits?

4. Point out that it is questions such as "what price is reasonable," and "how many can I actually make" that make the process of calculating income a tricky one. Each committee will have to do as much research as possible to come up with estimates that are realistic for the business.

5. Ask participants if they have any questions about the process of calculating break-even. Pass out the hand-out entitled "Calculating the Break-Even Point: Explanation for Bertha's Tamale Factory," and review it if necessary.

6. Conclude by reminding participants that in order to calculate break-even and income, we have to know about costs. Tell the group that in the next activity we will hear from the committees and the facilitator/consultant about their research findings on costs.

• **Break (10 minutes)** **Note:** The facilitator needs to meet with Process Observer during the break to review group process.

• **Report-back on Costs for Our Business Ideas (1 hour, 30 minutes)**

Materials:

Committees' filled-in homework worksheets on a) Start-up costs, b) Operating costs, and facilitator/consultant results of research into c) Variable Costs; laminated blank versions of same worksheets for each business, posted on the walls; guidelines for doing reportbacks (from Training #11), posted on newsprint.

Steps:

1. Tell participants that we will now hear from the committees about their research into costs. Remind participants to stick to the guidelines for doing reportbacks, and review these quickly.

2. Explain that we will spend about 30 minutes on each committee's report on costs: five minutes for the committee reportback, five minutes for the facilitator or consultant reportback on variable costs, and twenty minutes for additional information and discussion about the findings. Each committee report should follow the format below:

a) The committee reports its findings on start-up and operating costs, and the facilitator records them on the laminated worksheets.

b) The facilitator or consultant reports all information obtained on variable costs, including:

- The variable expense items for each business.
- The per unit variable costs (ie: variable costs associated with making each product or service).
- The average daily or monthly sales of the product/service, once the business is up and operating.
- The monthly variable costs of the business (show how this is obtained by multiplying the response to (b) by the response to (c)).

The facilitator should record information on the laminated worksheet for "c) Variable Costs." (The line item for variable costs on the operating cost sheet should stay blank for now).

c) The facilitator opens up group discussion on a number of key issues, including:

- The estimation of fixed start-up and operating costs: Are the costs reasonable? Should any items be eliminated, added on, or modified?
- The estimation of variable costs: What do participants think about:
 - The estimated per unit cost of the product/service? Can their business achieve this same per unit cost?
 - The estimated monthly sales of the product/service? Are these sales projections realistic for the group, taking into account resources, numbers of people etc.?

The facilitator should explore with the group the assumptions that findings are based on, and decide whether or not the assumptions need to be modified or researched further.

d) Once there is agreement on the assumptions underlying estimates of variable costs, the facilitator should fill in the variable cost line item on the operating costs worksheet. Committees should do the same on their worksheets.

3. Congratulate the committees on their research. Tell them that they now have enough information to start calculating break-even and income for their own business ideas. Tell them that they will do this in the next training.

- **Evaluation (10 minutes)**

1. Ask participants the following questions:

a) About the content of the training:

- what did people like about the training?
- what did they dislike?
- was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #18

Step 5: Estimating Income (continued)

Objectives: By the end of this training, participants will:

- (a) Apply break-even analysis to their own business ideas.
- (b) Learn about factors that will affect income for their businesses.
- (c) Develop a plan for gathering additional information needed to make realistic determinations of break-even and income.
- (d) Develop their research instruments.
- (e) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

- **Teaching/Learning Strategies:**
- **Welcome/Check-In/Review of Agenda (10 minutes)**
- **Choosing a Process Observer (5 minutes)**
- **Trust-Building Activity (30 minutes)**
- **Calculating Break-Even for Our Own Business Ideas (45 minutes)**

Note:

This activity requires advance preparation on the part of the facilitator/consultant. As noted previously, the process for calculating break-even and income for each business idea will vary depending on the business chosen. The facilitator or consultant needs to spend time prior to this training planning how to teach the variations that break-even analysis will take with each of the group's business ideas.

Materials:

The feasibility worksheet entitled "Estimating Costs: Research Tasks" (filled in from the last training); the worksheet entitled "Estimating Income: Research Tasks....Part a) Calculating the Break-Even Price for Our Business."

Steps:

1. Ask participants if they remember what the formula is for calculating break-even price. Remind participants that:

$$\text{Break-even Price} = \frac{\text{Variable costs} + \text{Fixed costs}}{\text{\# of products/services sold}}$$

2. Ask participants to refer to the worksheet entitled "Estimating Income: Research Tasks....Part a) Calculating the Break-Even Price for Our Business." Tell the group that each committee will have 30 minutes to fill out the worksheet with the help of a facilitator or consultant, and that afterwards the large group will reconvene to report-back their results.
3. Break the group into committees. One facilitator/consultant should be assigned to assist each committee.
4. After the committees are finished calculating break-even, reconvene the large group. Ask each committee to report back its break-even price and how it was calculated.
5. After each committee report, ask other group members for their responses: What do they think about the break-even price? Is it close to what they expected? Is it too high (to make a decent profit)?
6. Remind participants that just as in Bertha's Tamale Business, the break-even price provides us with a starting point from which to get a better handle on potential income from our business ideas. Break-even tells us the minimum amount we have to charge in order to cover the costs of our business. Now, what we need to do is look at how we can not only cover our costs but actually make a profit. This is the subject of the next activity.

- **Break (10 minutes)** **Note:** The facilitator needs to meet with Process Observer during the break to review group process.

- **Exploring Factors that Affect Income: Price (25 minutes)**

Materials:

The worksheet entitled "Estimating Income: Research Tasks....Part b) Calculating Income: Factors to Consider."

Steps:

1. Ask participants to think back to the example of Bertha's business. What factors did we manipulate in order to increase Bertha's income? Responses should include:
 - a) Increase price.
 - b) Increase the number of tamales sold.
2. Tell participants we will first deal with pricing, and later (in the next activity) with the numbers of products or services sold, or sales. Ask participants the following questions:

- a) By how much do they think they can increase their price?
 - b) Why do they think they can increase their price to this level?
 - c) Will their customers buy at this price?
3. Point out that in order to determine realistic prices, they need to find out:
 - a) What the competition is charging.
 - b) What are customers willing to pay.
4. Ask participants how they would find this information out. Point out that they will need to:
 - a) Research the prices of the competition.
 - b) Talk to customers to find out what they are willing to pay.
5. Tell participants that this will be part of their homework assignment. Ask participants to refer to the worksheet entitled "Estimating Income: Research Tasks....Part b) Calculating Income: Factors to Consider." Review with participants the questions under Section A) Price. Point out that participants may already have collected some of the information on pricing when they conducted their customer surveys in Training #8.
6. Take one of the committee's business ideas and give its product or service a hypothetical price. Tell participants to assume that they have done the research and have found out that this business can charge \$X per product or service. Ask participants if they know how to use this information to calculate income? Explain that they can:
 - a) Multiply the price by the number of services sold in a typical month (obtain this figure from the break-even analysis) to calculate income.
7. Point out that this information is important, but it has limitations. What does it assume? Explain that this figure assumes we are already selling that many products/services a month. Refer back to the example of Bertha's Tamale Business. Ask participants:
 - a) How many tamales did Bertha estimate she could sell a month?
 - b) When Bertha starts her business, do you think she will actually sell that many? Why or why not?
 - c) What kinds of things lead to a business increasing its sales?

8. Explain to participants that no business can start off assuming high sales. What we don't know, and what we need to find out, is how long it will take us to get to that point. This is the subject of the next activity.

- **Exploring Factors that Affect Income: Sales Projections (15 minutes)**

Materials:

The worksheet entitled "Estimating Income: Research Tasks....Part b) Calculating Income: Factors to Consider."

Steps:

1. Ask participants to refer to the worksheet entitled "Estimating Income: Research Tasks....Part b) Calculating Income: Factors to Consider," specifically to Section B) Sales Projections.

2. Review with participants the questions. Point out that the committees should already have some of the necessary information about sales, specifically, figures for average monthly sales, which were obtained either during the research on costs or on business operations.

3. Tell participants that in the next section they will make a plan to collect the information they still need on prices and sales.

- **Committee Work: Making a Plan to Collect Information on Prices & Sales (55 minutes)**

Materials:

The worksheet entitled "Estimating Income: Research Tasks....Part b) Calculating Income: Factors to Consider"; newspaper listing the four instructions for committee work (see below); participants' research findings reported in Training #12, specifically their findings from surveys of customers on purchasing habits and prices; facilitators' research findings from Training #16, specifically findings related to average daily/monthly sales during start-up and once the business is operational.

Steps:

1. Break the group up into committees, and tell the committees to take 40 minutes to create a research plan. Committees should:

- a) Review the questions, fill in information that they already have.
- b) Identify what information still needs to be collected.
- c) Make a plan to collect it (who, what, when, where, how).
- d) Develop their research instruments.

2. One facilitator or consultant should be assigned to each committee. The facilitator/consultant should do the following:

- a) Provide the committee with information already collected (the facilitator should have information on average sales and sales during start-up from Training #16).
- b) Help the committee locate and plug in information collected earlier from customer surveys (reported in Training #12).
- c) Assess the committee's ability to collect the necessary information, taking into account ease of access to information and the committee's skills. Based on this assessment, the facilitator/consultant may need to:
 - Help the committee devise alternate research strategies¹ or,
 - Determine what, if any, research should be done by the facilitator/consultant.
- d) Help the committee develop its research strategies and tools.

3. Reconvene the large group. Ask each committee to take 5 minutes to report back its research plan. Make sure the committees have included time to meet and pool their results prior to the next training. (The committees only need to complete the worksheet --they do not have to fill out the "Estimating Income: Analysis" form or prepare their reportbacks, since they will have time to do this in class during the next training).

4. Congratulate the committees on their excellent work! Tell them that we are nearing the end of the process.

• **Homework Assignment: Participants**

Participants' homework is to complete the worksheet entitled "Estimating Income: Research Tasks....Part b) Calculating Income: Factors to Consider."

• **Homework Assignment: Facilitator/Consultant**

¹ The assignment assumes that participants have access to resource persons and customers. If a committee does not have access to good resource people or business owners, the facilitator will have to help members develop an alternate strategy for finding out about sales. One strategy, for example, (which will only apply to businesses that have a retail site), might be to have participants observe the site and: a) Count the number of customers who enter the store per hour/day; b) Find out from customers how much each customer typically buys; c) Find out from customers when they typically purchase the product/service (peaks and lows of sales). This strategy would reveal information about typical daily sales and sales highs and lows, but would not, however, reveal information about start-up sales. If a committee is going to use alternate research strategies, the facilitator should plan on revising the committee's worksheet.

The facilitator or consultant needs to complement the research of participants, conducting any research that committees may not be able to obtain, and/or deepening the research into sales. Enough information about sales projections needs to be collected to fill out a realistic one-year income statement during the next training.

- **Evaluation (10 minutes)**

1. Ask participants the following questions:

a) About the content of the training:

- what did people like about the training?
- what did they dislike?
- was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #19

Step 5: Estimating Sales Income (continued)

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Step 6: Is this Business Feasible?

Objectives: By the end of this training, participants will:

- (a) Reportback the results of their research into prices and sales.
- (b) Agree on initial prices for their products/services.
- (c) Create one year profit and loss statements for each of their businesses.
- (d) Critically examine the profit and loss statements.
- (e) Estimate loan amounts that each business will need to start.
- (f) Practice process observing and facilitation skills.

Total Training Time: 4 hours (Note additional time required for this training).

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity

There is no trust-building activity in this training due to time limitations.

- Committee Work: Analyzing the Results of Research into Price & Sales (45 minutes)

Materials:

Filled in homework assignments, entitled "Estimating Income: Research Tasks....Part b) Calculating Income: Factors to Consider;" the feasibility worksheet entitled "Estimating Income: Analysis....Part a) Estimating Prices and Sales Projections for Our Own Business;" guidelines for doing reportbacks from Training #11, posted on newsprint; calculators for each committee.

Steps:

1. Tell group members that they will have 30 minutes to work in their committees to share and analyze the results of their research into pricing and sales. Make sure all committees were able to do their research and fill in the worksheet entitled "Estimating Income: Research Tasks....Part b) Calculating Income: Factors to Consider."

2. Ask participants to refer to the worksheet entitled "Estimating Income: Analysis....Part a) Estimating Prices and Sales Projections for Our Own Business." Explain that this form will help them to think about and analyze their research results.
3. Review the worksheet with the group. The facilitator should move question by question and ensure that participants:
 - a) Know which data they need to draw on for the answer.
 - b) Know how to calculate averages.
 - c) Understand the importance of explaining the rationale behind their proposals for pricing and sales projections.
4. The facilitator should point out that the first question in Section B) Sales Projections requires the group to define a start-up date for their business. Ask group members whether they can guess why it might be important to have a start date in mind when projecting sales? Ask members if any of their businesses have peak periods of sales and low periods of sales?
5. Point out that many businesses have fluctuations in sales depending on factors like holidays. In order to estimate sales realistically, we need to know when the business starts and when the peaks and lows will hit us. In the large group, decide upon an estimated start-up month for each business idea.¹
6. Remind the group to prepare a reportback using the guidelines from Training #11. Post the guidelines on the wall.
7. Break up into committees. One facilitator or consultant should be assigned to work with each committee to help members do the calculations, analyze their findings and fill in the chart. Give the committees 30 minutes to fill in the worksheets.

- **Reportback of Research into Prices and Sales (1 hour)**

Materials:

Committee reportbacks prepared in previous activity (based on the worksheet entitled "Estimating Income: Analysis....Part a) Estimating Prices and Sales Projections for Our Own Business"); guidelines for doing reportbacks from Training #11, posted on newsprint.

¹ Each business and each group will need to define its own timeframe for start-up. The time between finishing the feasibility study and start-up will vary according to many factors, including the complexity of the business (which will impact the length of the business planning period), whether the group needs to do a business plan, and whether the group needs to secure a loan for start-up. WAGES generally estimates a period of 4-6 months between the end of feasibility and start-up of the business.

Steps:

1. When committees have finished their work, reconvene the large group. Explain that the committees will now do reportbacks of their findings into pricing and sales for their business.
2. Tell participants that the format for reportbacks will be as follows:
 - a) Committees do reportbacks and recommendations on pricing and sales projections (10 minutes each reportback).
 - b) Group discusses recommendations and comes to agreement on price for each product/services and sales projections (10 minutes discussion per committee).
3. Congratulate the group on their hard work! Explain that now, at long last, they are ready to put all their information together in the form of a profit and loss statement. This is the task of the next activity.

- **Break (10 minutes) Note: The facilitator needs to meet with Process Observer during the break to review group process.**

- **Forming the Profit & Loss Statement (1 hour)**

Materials:

All feasibility worksheets from Training #16 onward; the worksheet entitled "Profit & Loss Statement, Year 1;" blank laminated newsprint versions of profit and loss statements, one for each business idea; calculators for each committee.

Steps:

1. Explain that in this next activity, we will form the profit and loss statements for each business idea. We will do the explanation in the large group, but each committee will fill in its own information as move through each of the steps.
2. Ask the group to refer to two worksheets in the feasibility workbook: the worksheet entitled "Estimating Income: Analysis.....Part b) Estimating Monthly Sales Income & Monthly Variable Costs for Our Business," and the "Profit & Loss Statement, Year 1."
3. Give each committee a laminated newsprint version of the profit and loss statement. Ask each committee to appoint one person who will record the committee's calculations on the laminated profit and loss statement.
4. Start with the calculations for the section of the Profit and Loss Statement called "Income (Sales)." Have each committee do the following:

- a) Estimate monthly sales income: Refer to the chart on worksheet b) entitled "Estimating Monthly Sales Income" and:
- Fill in "Estimated Monthly Sales" by plugging in the numbers from line "C. Adjusted Monthly Sales" from the worksheet on sales projections that they filled out earlier.
 - Fill in the price.
 - Calculate monthly income by multiplying sales by price.
- b) Fill in the line for sales income on the profit and loss statement.

5. Move to the section of the profit and loss statement on "Costs of Goods Sold/Variable Costs." Have the group do the following:

- a) Estimate monthly variable costs: Refer to the chart on worksheet b) entitled "Calculating Monthly Variable Costs," and:
- Fill in "Estimated Monthly Sales" for each month by plugging in the numbers from line "C. Adjusted Monthly Sales" from the worksheet on sales projections that they calculated earlier in their committees.
 - Fill in the per unit cost of the product or service.
 - Calculate monthly variable costs by multiplying monthly sales by the per unit cost.
- b) Fill in the line for variable costs on the profit and loss statement.

6. Have each committee calculate its "Gross Profit" by deducting variable costs from income.

7. Move to the section of the profit and loss statement on "Fixed Costs." Have each committee fill in their expense items and the estimated monthly costs.

8. Have each committee calculate its "Net Profit" by deducting fixed costs from gross profit.

9. Give the committees an extra minute or two to calculate their total annual net profit or loss.

10. Hold a big round of applause for the participants, for their hard work in coming to the point of developing a profit and loss statement!

- **Analysis of the Profit & Loss Statements (40 minutes)**

Materials:

Laminated newsprint version of each committee's profit and loss statement.

Steps:

1. Tell participants that we will now do an informal examination and discussion of each committee's profit and loss statement. We will hold off on serious analysis until the next training, when program staff or consultants will have finished two-year projections and cash flow statements for each business.
2. In the large group, examine the profit and loss statements for each of the business ideas. The facilitator should take 15 minutes per business to:
 - a) Point out the profit or loss for the business at the end of the first year.
 - b) Ask all group members to reflect upon and discuss the following questions:
 - What are participants' immediate reactions? Shock, joy, fear....? Why?
 - Does the business break even in the first year? If no, when do committee members think the business might break even?
 - What can be done to decrease monthly losses? What do participants think about adjustments to the three main factors affecting profits:
 - pricing.
 - sales projections.
 - fixed costs.
 - What are loan needs of business for Year 1? How do participants feel about the prospect of taking out such a loan?
3. During the discussion, the facilitator should tell participants to keep in mind the following important :
 - a) The down side: the profit and loss statements do not include costs for start-up of the business. Start-up costs and loan amounts are usually reflected in a cash flow statement. When calculating total loan amounts, the start-up costs need to be added on.
 - b) The bright side: profit and loss statements are only one aspect of a business and its feasibility. Participants need to remember that many successful businesses have been started without feasibility studies or with feasibility studies that had negative financial projections. When thinking about the business, participants need to look at the whole picture, including factors like: their passion about the business; the niche the business may occupy; customers' reactions to the business; etc. etc. Committees will be able to look at all of these factors when they complete the Feasibility Report in the next training.
4. Explain to participants that consultants/facilitators will spend more time analyzing the profit and loss statements and creating cash flow statements for each of the

businesses. They will critically examine the factors of price, sales and costs and analyze under what conditions the business might be feasible. They will report back their recommendations to the large group at the next training.

- **Homework Assignment: Facilitator/Consultant**

Materials:

The worksheet entitled "Cash Flow Projection" in the Feasibility Workbook.

Steps:

1. The homework assignment for facilitators or consultants is to put together two year profit and loss statements and cash flow statements for each business. ¹

- **Evaluation (10 minutes)**

1. Ask participants the following questions:

a) About the content of the training:

- what did people like about the training?
- what did they dislike?
- was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

¹ This assignment could also potentially be done by participants. Again, the difficulty of the calculations will vary depending on the business being studied. WAGES had its consultant examine the participants' statements, and also create two-year profit and loss statements and cash flow statements in order to save time and minimize the amount of math participants had to deal with.

Training #20

Step 6: Is this Business Feasible? (continued)

Objectives: By the end of this training, participants will:

- (a) Examine two year profit and loss statements, and cash flow statements for each business idea.
- (b) Discuss and approve, reject or modify financial recommendations made by consultants or the facilitator.
- (c) Review the final Feasibility Report Form.
- (d) Practice process-observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity (25 minutes)
- Presentation of Financial Projections (1 hour, 10 minutes)

Materials:

Consultant/facilitator projections for each business, including two-year profit and loss statements and cash flow statements, available in worksheet format for the committees, and posted on newsprint; laminated newsprint version of a blank cash flow statement.

Steps:

1. The facilitator/consultant should start by explaining to participants how the new financial projections, including two-year profit and loss and cash flow projections, were made.
2. Explain to participants that the main difference between the profit and loss statement and the cash flow statement is that the cash flow statement is a more realistic picture of cash-in and cash-out over the course of a year. The facilitator should review the blank newsprint version of the cash flow statement and point out that it includes:
 - a) Space for loan amounts in the income section, and loan payments in the expenses section, spread out in a way that reflects typical policies of a funder.

b) Space for start-up costs, spread out in a way that appears feasible for the business.

c) A more accurate reporting of sales income, taking into account, for example, the likelihood of delayed payments by customers of the business.¹

3. The facilitator/consultant should take 10 minutes to report his/her projections and recommendations for each business. After each report, the large group should take 10 minutes to discuss the implications of the recommendations for the group:

a) How do group members feel about the recommendations?

b) Do the recommendations seem reasonable? Do group members have alternative ideas?

c) Are the recommendations acceptable to group members? Why or why not?

4. During the discussion, participants should be reminded that the recommendations are just that: recommendations. And the financial projections are just one piece of the whole picture of the business. If group members ultimately decide to go forward with a business idea, they will need to weigh the recommendations and make decisions about whether to follow them or not. The information is presented to help group members make better decisions about which business might be the most likely to succeed in financial terms. Many other factors, however, also need to be examined when deciding whether or not to choose a particular business.

5. Wrap up by reminding participants that the final Feasibility Report is the context for weighing all of the positive and negative forces in a business and assessing its overall feasibility. We will review the report in the next section.

• **Break (10 minutes) Note: The facilitator needs to meet with Process Observer during the break to review group process.**

• **Review of the Final Feasibility Report (50 minutes)**

Materials:

The Feasibility Report.

Steps:

1. Ask participants to refer to their copies of the Feasibility Report. Explain that the report will allow them to summarize and present the key findings of their research

¹ This factor depends on the business being studied. A business that requires immediate cash payment for its products or services will not have to deal with this issue. On the other hand, a business that bills its customers will always have some of its income in "accounts receivable."

throughout the training. The questions asked are the most important ones for assessing the feasibility of a business idea.

2. Explain also that the committees may find that they cannot answer some of the questions. This is OK--the consultant or program staff will work with participants through this training to identify which questions committees need help answering. Then, when the final reports are assembled, the consultants or staff will pass that information on to the committees for inclusion.

3. Ask each committee to appoint a note-taker who can record notes from the discussion about the Feasibility Report.

4. Review Sections a) through h) of the Feasibility Report in detail. For each question, the facilitator should:

a) Make sure participants understand the question.

b) Ask participants to brainstorm where in their research data they might find the answers.

5. Review Section i) Committee Conclusions and Recommendations. Point out that this section contains analytical questions that require serious reflection on all the data gathered. Ask participants how they would answer each question.

• **Committee Work: Identifying Questions in the Feasibility Report that the Committee Can't Answer (30 minutes)**

Materials:

The Feasibility Report.

Steps:

1. Explain to participants that in the time remaining, the committees will meet with a facilitator/consultant to compare the Feasibility Report with their data and identify where the gaps might be. The purpose of this section is for committees to identify questions the facilitator or consultant needs to answer.

2. Break into committees, with one facilitator/consultant assigned to each group.

3. When the time is up, tell the committees that they will have until Training #22 to prepare their reports. Make sure the committees have set up a mechanism to obtain from the consultant or facilitator the information that they need to add to their reports.

• **Homework: Participants**

The participants' homework (outlined above) is to fill out the Feasibility Report.

- **Homework: Facilitator/Consultant**

The facilitator/consultant homework (outlined above) is to research gaps in information for each committee's report.

- **Evaluation (10 minutes)**

1. Ask participants the following questions:

a) About the content of the training:

- what did people like about the training?
- what did they dislike?
- was anything not well explained or difficult to understand?

b) About the process:

- ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
- the facilitator should also give feedback, as appropriate.

Training #21

Membership, Governance & Management Issues in Cooperatives

Objectives: By the end of this training, participants will:

- (a) Learn about different models of cooperative governance.
- (b) Learn about the rights and responsibilities of members of a coop, and different mechanisms that are used to promote accountability.
- (c) Learn about and analyze key factors contributing to organizational success or failure.
- (d) Analyze the challenges of a democratically-run organization, and agree upon some basic structures, processes and procedures that will be incorporated into their coop in order to address these challenges.
- (e) Practice process observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- **Trust-Building Activity**

There is no time set aside for a trust-building activity in this training due to the length of the panel presentation and discussion.

- **Welcome & Introductions (10 minutes)**

Note:

Advance preparation is required for this workshop. Some 4-5 representatives of coops should be invited to participate in the panel. It is important to select coops that can demonstrate the diversity of cooperative models, for example, coops that have different governance structures (ex: a collective vs. a coop run by a Board of Directors), and coops of different sizes.

Steps:

1. Welcome participants and panelists to the training.
2. Introduce the panelists and the panel topic. Explain to participants the format of the presentation and Q&A session.

- **Panel Presentation (2 hours)**

Materials:

Copies of the questions given previously to panelists.

Steps:

1. Pass out copies of the questions to all participants, and ensure that panelists have copies also.
2. Ask panelists to take 5 minutes each to address the following three questions: (20 minutes)
 - a) Brief Introduction: who you are, what coop you work with, brief history of that coop, brief description of the coop today (# of staff, approximate salaries, etc.)
 - b) From your perspective, what are the major pluses/benefits of working in a cooperative?
 - c) From your perspective, what are the major challenges of working in a coop?
3. Explain that we will now move to a discussion format, where the facilitator asks a prepared question and any panelist can address it, as well as debate or discuss it with other panelists: (60 minutes)
 - d) Many of the challenges that arise from working in a coop are shared by all of your coops.
 - What do you believe are the source of these challenges/issues?
 - What can coops do to address them?
 - e) How are major decisions made in your coop? In other words, what is your governance structure?
 - Does the whole group make decisions or do individuals and committees?
 - Do you make decisions by majority rule, consensus or another way?
 - f) What are the advantages and disadvantages of having clear rules, policies that guide the work of coop members?
 - g) What mechanisms/procedures does your coop use to when people break rules or don't do the work that is expected of them? What is the process you go through to fire a member?
 - h) What do you do when there is a conflict between two or more members of the coop?
 - i) Do you think that a democratic workplace requires everyone to participate equally?
 - What has your coop done to keep members from burning out?

4. Open up the panel for questions and answers from participants (30 minutes).
5. In closing, thank the panelists for their participation. As a final question, ask panelists the following question:

j) What advice or words of wisdom do you have for participants as they think about starting a worker-owned business?

• **Break (15 minutes)** **Note:** The facilitator needs to meet with Process Observer during the break to review group process.

• **Group Discussion & Debriefing (40 minutes)**

Steps:

1. Ask group members how they felt about the panel presentation:

- a) What comments or issues struck you the most?
- b) What did you hear about that seems important to apply to our coop group?

2. Depending on responses to the above questions, ask participants about the following:

a) Challenges confronted by coops:

- What were the major challenges that panelists described?
- How do participants think they could prepare their group to confront those challenges?

b) Consensus decision-making vs. majority decision-making:

- What were the decision-making methods discussed by panelists?
- How do group members feel about each?
- What decision-making method(s) do they think the group should adopt? Why?

c) Rules and mechanisms for enforcing rules:

- What did panelists say about these issues?
- How do group members feel about the mechanisms for enforcing rules?
- How do group members feel about the mechanisms for firing a worker?
- What ideas do they have for their own coop?

d) Governance structure:

- What different models of governance were discussed by the panelists?
- What governance structure do participants think might work best for their group?

- What aspects of governance have participants already created? (for example, groundrules; certain policies; committee structure; conflict resolution policy etc.)
- e) Conflict resolution mechanism:
 - What mechanisms or policies are used by the various coops?
- **Evaluation (5 minutes)**

Steps:

1. Ask participants the following questions:

- a) What did you like about the panel discussion?
- b) What would you change for the future?
 - Were there any topics you would have liked to hear more about?
 - How was the timing on the different sections?

Training #22

Step 6: Is this Business Feasible? (continued)

Objectives: By the end of this training, participants will:

- (a) Present and listen to Feasibility Reports for all three business ideas.
- (b) Evaluate the pro's and con's of each of the business ideas.
- (c) Practice process-observing and facilitation skills.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Choosing a Process Observer (5 minutes)
- Trust-Building Activity (20 minutes)
- Feasibility Reports (1 hour, 30 minutes)

Materials:

Feasibility Reports for all three business ideas; copies of all reports for each of the participants; newsprint.

Steps:

1. Welcome participants to this important segment of the training series: today they will hear the results of all their hard efforts over the last few months.
2. Explain the format for committee reportbacks:
 - a) Each committee presents its report (25 minutes).
 - b) Brief, informational questions and answers (5 minutes).

Tell participants that time is set aside for in-depth discussion of the reports after the break.

3. During each reportback, the facilitator should write down on newsprint the committees answers to Section i) Committee Conclusions and Recommendations (this will be used in the next activity).
4. When all the committees have finished doing their reportbacks, pass out to participants copies of each report. Tell them that they may want to reference the

reports between today and the next training, when the group has to make a decision about which business idea to pursue.

5. Congratulate the participants on their hard work! Their reports are proof of the fact that they are now experts in how to plan and implement feasibility studies. Celebrate the end of Step 6 of the feasibility study.

- **Break (10 minutes)** **Note:** The facilitator needs to meet with the Process Observer during the break to review group process.

- **Discussing the Reports: Pro's & Con's of Each Business Idea (40 minutes)**

Materials:

Newsprint showing each committee's responses to Section i) of the Feasibility Report, "Committee Conclusions and Recommendations;" newsprint list of the group's goals (from Training #15).

Steps:

1. Explain that participants will have until the next training to think about each of the reports and decide which business is their top choice. Before they make their decisions, however, it is important to compare the pro's and con's of the business ideas.

2. Ask participants to look at the committees' conclusions and recommendations, listed on newsprint. Review the committees' responses to Questions 1 ("red flags"), 2 ("strengths") and 3 ("to what extent does the business meet the goals outlined by the group?"). Remind participants of the goals they articulated for the business, and review them briefly (listed on newsprint).

3. Ask participants to discuss their questions, concerns and observations about the businesses. Emphasize that it is crucial for people to be honest and to state any particular fears or concerns they have at this time. This is a way of letting others know what each person is thinking, and also a way of redressing misperceptions or misunderstandings if there are any.

4. To promote participation, give each participant three matchsticks. Every time a participant speaks she throws one of her matchsticks into a pile at the center. When she has finished her matchsticks, she cannot speak again until everyone else has finished theirs. If participants work through all three matchsticks, they can be re-distributed again.

- **Homework Assignment (10 minutes)**

Materials:

The hand-out entitled "About the Businesses, About Myself: Where Do I Stand?"

Steps:

1. Ask participants to refer to the hand-out entitled "About the Businesses, About Myself: Where Do I Stand?" Tell them that their homework is to fill this questionnaire out, in preparation for the next training, when two important decisions will be made: first, which business to pursue; and second, whether or not they individually feel that they can commit to that business.
2. Review the hand-out, making sure participants understand all the questions.
3. Emphasize again the importance of honesty in answering the hard questions on the hand-out. Tell participants that they need to be sure about their decisions, and that it is OK if they decide that it is not the right time or context to go into starting a business. Of course we want everyone to commit to starting the business! But we understand that for personal, group or other reasons, people may need to drop out. Participants should use the homework assignment to probe deeply their fears, interest and commitment to the group and the business. We will take time at the beginning of the next training to talk about our concerns and hopes.

• **Evaluation (10 minutes)**

1. Ask participants the following questions:
 - a) About the content of the training:
 - what did people like about the training?
 - what did they dislike?
 - was anything not well explained or difficult to understand?
 - b) About the process:
 - ask the volunteer process observer for feedback...how well did the group do in upholding its groundrules? Make sure that the observer provides feedback on what was done well as well as what could have been improved?
 - the facilitator should also give feedback, as appropriate.

Training #23

Step 7: Deciding on a Business

Objectives: By the end of this training, participants will:

- (a) Decide which business idea to pursue.
- (b) Decide whether or not they, individually, will commit to starting the business.
- (c) Evaluate the entire training series.

Total Training Time: 3 hours, 30 minutes.

Teaching/Learning Strategies:

- Welcome/Check-In/Review of Agenda (10 minutes)
- Trust-Building Activity

No time is set aside for a trust-building activity since the activity below has a trust-building focus.

- The Group Trust Walk: Exploring Participant Fears About the Group (45 minutes)

Materials:

The homework assignment entitled "About the Businesses, About Myself....Where Do I Stand?"

Steps:

1. Ask participants to refer to their homework assignment, the hand-out entitled "About the Businesses, About Myself....Where Do I Stand?" Make sure all participants were able to fill it out.
2. Tell participants that the first section of the hand-out, "About the Businesses," will not be discussed. That section was meant to help participants become clear in their own minds how they feel about the different business ideas. They will need to know this in order to participate in the decision on which business to choose (the next activity).
3. However, we will as a group address participants' responses to the section called "About Myself & the Group." Tell participants we address this issue by doing a small activity called a "Trust Walk."

4. Facilitators need to blindfold participants and arrange the room (or an outside location) so that the group has to manoeuvre around numerous (safe) obstacles in order to get to a certain point.¹ Give the participants the following instructions:

Your task as a group is to make it to the other side of the room. You cannot see anything, and you have to rely on each other and your sense of touch to make it. During your journey, I will call out different peoples' names. When called upon, that person needs to assume a leadership position in the group.

5. Give the group a minute to look around and assess the obstacle course. Start the activity by having the group begin the walk without any indicated leader. After one or two minutes, begin calling out peoples' names.

6. When the activity is finished, reconvene the large group. The facilitator should probe the participants' feelings about each other and the group as a whole using the following questions:

a) What feelings did participants have during the trust walk?

- How did it feel to walk in the dark, unable to see the end goal?
 - How did they feel when they were called upon to be leaders?
 - How did they feel about their different leaders when they were followers?
- Did they trust everyone in the group to lead them the right way?

b) What specific things about the group scare participants as they think about starting a business together?

- Are these things that could be addressed in some way?
- If so, how?

c) Do participants trust the group members enough to go into business together?

d) What attributes does the group have that participants feel good about?

e) Is the group important enough to participants that they would continue in the business development process even if the business chosen is not their top choice?

¹ This activity can also be adapted if the circumstances do not permit a trust walk. For example, participants could be instructed to build something together in the dark.

7. Wrap up the activity by thanking participants for their honesty and thoughtful responses. Explain that trust in the group is a crucial aspect of building a cooperative business. It would be far too risky to start a business together if participants do not trust at least a majority of the group to "do the right thing." When difficult times happen, as they must, the distrust will emerge in the form of conflict and crises.

- **Deciding on a Business (1 hour)**

Note: Facilitators need to decide in advance their response to possible outcomes of the voting and decision-making process. For example, the group may have support evenly split among the three ideas. Or there could be a 60%-40% split among two ideas. Each organization needs to assess for itself what it can do in such cases. Organizations may or may not have the time and resources, and the groups may or may not have sufficient numbers at this point, to proceed to the next phase of business planning.

Materials:

The hand-out entitled "Steps for Making a Decision Using Consensus" from Training #13, posted on newsprint.

Steps:

1. Tell participants that the time has come! We will now try to make a decision about which business idea to pursue.
2. Explain to participants the process that will be used. Remind them that during the training on decision-making, we discussed the application of consensus principles to the decision-making process. Although we will use consensus process to guide our discussion, full agreement is not a goal for this type of decision. This is because:
 - a) The decision is between three distinct choices that cannot be negotiated or re-worked to meet different peoples' needs.
 - b) The decision is ultimately a personal one. Each individual needs to be totally sure about what kind of work they would be happy doing.
3. Post the newsprint listing the "Steps for Making a Decision Using Consensus." Review the steps with participants.
4. The facilitator should clarify Step 2 (the issue to be resolved) and Step 3 (the timeframe for the discussion and a fall-back position)¹ and then move into discussion.

¹ The fallback position used by WAGES specifies that at least 75% of participants must support a business idea in order for it to be taken to the next phase of business planning. See the footnote in Training #12 for more information about this voting and decision-making process.

The facilitator should use the consensus techniques discussed in Training #13 to probe for agreement, draw out reasons of opposition and support, try to address concerns etc.

5. The discussion process ends when there is either unanimous support or 75% support for a business idea, or when the discussion time has run out. If no clear support for one idea emerges, the program staff, in consultation with participants, need to decide what the next steps are (see the Note at the beginning of this activity).

6. (If applicable) Celebrate the end of Step 7!

- **Deciding Whether to Personally Commit to the Business (20 minutes)**

Materials:

The "speaking stone" or some other symbolic object that can be passed around the circle.

Steps:

1. Tell participants that they now have to confront the decision about whether to commit to the business. For some this may be an easy decision, for others it may be very hard.

2. Give participants 5 minutes to reflect in silence on their own.

3. Explain that we will use the "speaking stone" to go around the room and state what our individual decision is. Each person can also take a few moments to explain their decision if they like.

4. After every person has spoken, the facilitator should ask if any participants want to share their feelings about the results. The facilitator should especially encourage members to express their feelings about the loss of any group member.

5. Tell participants that after the break, we will evaluate the entire training series and look at what's next for the group.

- **Break (10 minutes)**

- **Evaluation of the Training Series (50 minutes)**

Materials:

Paper and color markers for all members of the group; the hand-out entitled "Post-test Questionnaire."

Steps:

1. Tell participants that we will evaluate the training series in a number of different ways. First, we want each member of the group to "draw" her experience in this training program (40 minutes). Later we will ask participants to fill out a "Post-Test Questionnaire" similar to the one they filled out at the beginning of the training program (10 minutes).
2. Pass out paper and color markers to all participants. Instruct participants to take 10 minutes to draw a timeline for the whole training, and to fill the timeline in with important events, emotions or turning points. They can write or draw the event above the timeline, and draw their emotions or feelings below it.
3. After 10 minutes, reconvene the large group in a circle. Ask each participant to take a few minutes to describe her timeline to the group.
4. When all participants have spoken, glue or tape all the drawings on a large piece of newsprint. Celebrate the drawing as a depiction of the collective experience of the group during an intensive training.
5. Ask participants to refer to the hand-out entitled "Post-Test Questionnaire." Remind participants of the "Pre-Test" that they filled out at the beginning of the training. The post-test is designed to measure whether or not the program met the goals set for itself.
6. Give participants 10 minutes to fill out the questionnaire, then collect it.
7. Thank participants for their evaluations.

- **What's Next for the Group (10 minutes)**

Steps:

1. The facilitator needs to discuss with group members the next step, if any, in the training process. Next steps for each group will depend on the outcome of earlier decisions about the business to be pursued and individual commitments.
2. In addition to outlining next steps, the facilitator needs to make sure that logistics are taken care of for the celebration of the end of the training (Training #24).