



Government of Botswana



European Union

## **PRIVATE SECTOR DEVELOPMENT PROGRAMME BOTSWANA**

A Government of Botswana initiative supported by the European Union and the Centre for the Development of Enterprise

# ***PSDP-TRAINING IN BUSINESS PLAN***

***04 April to 15 April 2016***

***Final report***

Active Business Consultants

BUSINESS BOTSWANA



# PSDP – TRAINING IN BUSINESS PLAN

THE TRAINING STARTED ON THE 4th APRIL 2016 TO 15th APRIL 2016

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## TRAINING INTRODUCTION AND COURSE OUTLINE

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European Union has decided to partner with the Botswana Government to improve the competitiveness of the Small, Micro, and Medium Enterprises through a program called "Private Sector Development Program (PSDP) Botswana. With this program it was discovered that these kinds of Business lack skills in preparing a business case to convince financiers that indeed if they fund their businesses they will be able to pay back the money with interest within agreed time and without any pressure.

The Private Sector Development Program has collaborated with registered and approved Business Training providers to assist and equip the Small, Micro Medium Enterprises (SMME) with the right tools and skills in order to access the finances held by the Financial Institutions. A high rate has been noticed by the Financial Institutions when processing loans applications from these types of Businesses due to lack of business knowledge, proper prepared and well thought Business Plan coupled with lack of Collaterals.

With these challenges on the ground PSDP identified knowledge of preparing a Business Plan as one the pre-requisite knowledge to be possessed by Business Entrepreneurs or by the company stewards, therefore stepped in to bridge this gap. It is very expensive for these SMMEs to hire consultants to prepare business plans for them and also Consultants may not clearly understand the throughput of these Businesses or they lack specific operational Knowledge in this sector. So it will be much easier and cheaper for the SMMEs directors to be well trained in that regard. They will prepare a Business plan that is understood by them and also prepare a Business plan that will be exactly in line with their operations. During the interview with the Financial Institution they will be up to date with their presentation of the Business Plan.

Business Botswana itself identified some of the SMMEs to represent the entire SMMEs and provided finances for training. It invited representatives from various companies and divided them into two groups, and the training was conducted at Botswana National Productivity Centre (BNPC). The training workshop started on the 4th April to 15th April 2016. The first group that started on 4th April 2016 had ten (10) participants. The second group started on the 11th April 2016 to the 15th April 2016 and seven (7) participants attended the training workshop. The participants represent different types of organisation from different industry namely Agriculture, Hotel and Tourism, Security, Pottery, Water Purification and Bottling and Chemical Manufacturing. Participants came mainly from Maun, Gumare, and Francistown.

The Training was facilitated by the Directors of Active Business Consultants being Mr Mothusi Brian Dialwa as the lead facilitator and Mr Patrick Kwadiba, with them was Mr Mothusi Mmopi.

## THE COURSE OUTLINE FOR THE WORKSHOP WAS AS FOLLOWS:

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- To understand and appreciate the importance of Business plans to anticipate opportunities (when & how) and to manage risks (turnaround strategy and managing growth) for businesses.
- To ensure that the business managers gain knowledge on how to read and interpret a Business Plan to gain a better understanding of the commercial sector and business risk.
- To develop the skills of the Small Micro Enterprise (SMEs) personnel (managers) for preparing a Business Plan for effective budgeting and planning.

The timetable for the workshop was as follows:

- Introduction to Business Plans.
- Tools for developing an effective Business Plan.
- Understanding Budgeting and Historical Costs , Assessing Market Opportunities.
- Predicting Cash Flows and Financing Needs, Developing Base Case, Best Case,  
Worst Case Models.
- Staffing and Capital Expenditures in the Business Plan, Business Recovery Plans.
- Discussion Points and closure.

## **ABOUT ACTIVE BUSINESS CONSULTANTS**

Active Business Consultants (ABC) is a hundred percent citizen accountancy firm owned and managed by professional accountants. It was incorporated in year 2008 and has been operating since then. Its offices are at Plot 20727, Unit 1, Block 3, Industrial, Gaborone. We have rented from Withsmith Properties, since year 2010.

Active Business Consultants is registered with Botswana Institute of Chartered Accountants (BICA) and it has been accredited as one of the Authorised Training Employers of BICA and is also registered with PPADB.

Active Business Consultants is winning assignments with prestigious clients and the larger privately owned companies. It also aims to train accountants and business people in Botswana, currently there are three article clerks going through training.

Our firm zeroed attention in advising Investors, Business people and individuals with a dream to attain a level of excellence in business arena. The firms comprehensive range in consulting services helps clients to maximize their growth potential and achieve their primary and secondary goals.

Our commitment to service excellence, professionalism and client satisfaction has positioned us securely as one of the leading accounting and consulting organization. Our range services include Accounting, Tax, Corporate Secretarial, Business Advisory and Business Consulting Services.

Active Business Consultants uses one of the newest Accounting Package: For capturing daily transactions, it uses Pastel Partner the latest version. For Financial Statements we use Case Ware working papers which are Accounting and Audit software that has the ability to display up to date financial statements.



Below is a list of the industries we serve:

Agri-Business, Construction Contractors, Distribution, Quarry, Not-For- Profit Organisations, Faith Based Organisations, Manufacturing, Retail, Service Businesses, Professional Practices, Restaurant / Hospitality, Real Estate / Trusts, Technology businesses and Legal Firms.

### **OBJECTIVES OF BUSINESS PREPARATION**

The participants were taught that it is very important to prepare a good Business Plan to act as a guide on how the Business in mind is going to operate. A good Business Plan can also be used when one needs to be financed by Financial Institutions such as banks and CEDA. A good Business Plan if followed properly can also assist the business owner to overcome all challenges that come with a business as a going concern.

It is surprising that most of business people ask Consultants to prepare business Plans on their behalf when in fact they are the owners of the businesses. A consultant normally prepares the Business Plan to assist one get funding and that is the end of the story. The business person should be the one coming up with the points relating to what they want to do so that once the funds have been disbursed and the consultant is not there, the owner can rise and fall with the business.

A Business plan is in fact the Business as it comes from the mind and be put into practice and once done properly with thorough Market Research and provision for good risk management, it can achieve its goals.



## **DETAILS OF ACTIVITIES PERFORMED**

Training started with an Attendance Register on daily basis to make sure that the participants were always in.

The course outline was provided to the participants so that they could familiarise themselves with the content to be covered for the duration of the workshop in five days as scheduled. The beneficiaries and / or participants were then interviewed to measure their understanding of Business Planning and the Business in general as they were a mixture of different businesses. After extracting from what the participants have said, the training resumed and it was fortunate that all the participants have once done Business Plans.

Course outline was followed throughout the Training. We then after discussion with them found it wise for them to do their Individual business plans as assignments and e-mail them from their place of business operation as that would relate practically to what they see. This would also refresh their minds at their leisure.

The participants were coached on what the business plan entails and all the related issues. They were brought into light that they have to register companies and comply with all the statutes of the country like Companies Act of 2003 revised, Income Tax Act (Value Added Tax, Withholding Taxes on savings, rent, cattle sale, construction, customs duties and so forth), Employment Act. A business has to have a trade license where relevant, has to register with BURS for tax purposes and submit Income tax returns, VAT and PAYE and other withholding taxes and also submit annual returns with Companies Intellectual Property Authority (CIPA) to avoid penalties that could end up putting the business on the wrong side of the Law and demoralize the owners.

It was also highlighted that the business and the owner are different persons as either can sue or be sued separately from the other if they do not act in an ethical way and not in compliance with rules and regulations of various authorities they deal with.

The participants were at liberty to ask questions where they did not understand. It is interesting that we also learnt from them as they came up with questions that were not on the Agenda but increased what we had in store for them. This led us to realizing that had we anticipated that the turnout per group was going to be low, the groups could have been made one and trained for two ( 2) weeks as time was really minimal to cover individual needs on the five (5) days given. This led us to giving them work as groups in one group and have one leader do the Presentation. From the presentation, we made comments so that they could improve their understanding.

During the course of the training participants were broken down into groups for group discussion sessions and they reported their group Business Plans.

### **RESULTS OBTAINED AND RECOMMENDATIONS**

We observed that almost all the participants are running businesses that are undergoing financial stress are hoping that they might get financial assistance from donors after the workshop. We advised them that they have to prepare for realistic Business Plans that will translate to profitable businesses and increasing shareowners value. Furthermore participants were taught that proper business management is key at all times for success to happen.

Most of them use the business money casually for things that do not relate to the business and hardly keep records as supporting documents for future reference. After learning that they have to submit annual tax returns , they even thought of closing down the business because almost all of them do not comply at all. For example, they realized that there is no way a business can have fuel expenses in the balance sheet when it does not have Motor Vehicles in the Balance Sheet. This was one of the many examples given which we believe have given them an idea of what has to appear on a Business Plan.

We recommend that the participants be trained on Finance Management as an extension of the Business.

## **FOLLOW UPS**

The participants were asked to give us their contacts and email addresses so that after Training, there could be further follow ups.

As it is always the case, not all the participants have emailed their individual Business Plans but we hope they will do that in due course. The reason for the delay in submitting the report could be due to this situation. We have decided to use the available ones to expedite the report submission.

## **CHALLENGES ENCOUNTERED**

There were no significant delays throughout the training program besides the fact that not all participants arrived on the same date. There were no relative issues as all of them were able to catch up in no time and had there been any problems, they could have raised them as they were free to do so.

We had a problem with the second group in that there were only four (4) participants and the fourth one came very late. The last (4) four came on later dates.

The group consisted of mixed businesses in horticulture, poultry, piggery, Information and Communication Technology. Because of this mix-up, the participants complained that they were not happy for the fact that they were not grouped by similar sectors and requested that in future it would be wise so that they speak the same language.

The other problem was that we identified some participants who seemed struggling to understand what we taught them and suggest that they be considered for further individual training should financial resources allow. The said participants were: Abidile M Nkwane, Josephine Masiziani, Galesenngwe Haku and Salome Kamiwa.



## **OBSERVATIONS AND RECOMMENDATIONS**

We are aware that these programs are done on a tendering process but we feel it will be wise that if possible, we train the participants on Finance Management if that could be provided for.

We also recommend that these trainings be done at least twice a year so as to be able to get proper feedback from the participants and also to make sure that they put what they have learnt into practice.

We discovered that all the participants have already done business plans from other entities like LEA and others. We however, taught them in detail on how effective business plans are done.

Further on after realizing that they need working capital to improve their businesses we included subject of: Business Recovery Plans / Turnaround Strategies as indicated in the time table on the last day of training.

We recommend that identified participants that were struggling to cope with training be considered for further one to one training.

## **TRAINING/REFERENCE MATERIALS**

The following materials were given to participants at the workshop:

- Business Plan training slides in a Powerpoint presentation format.
- Business Plan Template for a poultry and horticulture farm.
- IFAC Business Plan Guide for Small Businesses.
- Business Recovery template.

## CONCLUSION

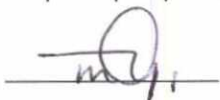
On the two Thursdays, we had the Consultants from EU who came to get feedback from the participants and both the groups spoke one language – Financing!! They told the Consultants that they have learnt a lot from Active Business Consultants and wish that the Training could go on into Finance Management. In addition, they felt that there must not be a long lead time between the Trainings conducted.

All in all, the participants contributed a lot in workshop deliberations and this helped us into dealing with them as they were not new into Business ventures.


They learnt that for a Business to achieve its goals, money should not always be in the fore front. All that one has to do is to manage the little that one has invested in order to yield good results as more and more borrowing could land one into *'dire straits'*.

A good Business Plan is key to good business goal achievement as long as it is followed carefully as the Business Plan is basically what the Business is.

Report prepared by the undersigned:



Mothusi Mmopi



Patrick Kwadiba



Mothusi Brian Dialwa

## LIST OF ATENDENTS

## ANNEXURE I

### FIRST GROUP

Training started on the 4<sup>th</sup> April to 8<sup>th</sup> April 2016

1. Milikani Taba
2. Franco Kehemetswe
3. Kefilwe Mokgadi
4. Sibongile Nleya
5. Josephine Masiziani
6. Abidile Mavis Nkwane
7. Motlhagodi Lamont
8. Galesenngwe Haku
9. Lawrence Olatoyinbo
10. Beauty Mokobela



## SECOND GROUP

Training started on the 11<sup>th</sup> April 2016 and ended on the 15<sup>th</sup> of April 2016.

1. Opelo Anthony James
2. Salome Kamiwa
3. Preciuos Gaenewe
4. Boitumelo M. Nyepetsi
5. Reiddolf M. Reid
6. Koketso Keoagile
7. Godfrey M. Mwewa