

Chart 1 The Vision of 5000Plus

Motto: Addressing poverty by empowering people

Feeding of the five thousand Mark 6:30-44.

Three Key Words:

- 1. Compassion**
- 2. Empowerment**
- 3. Multiplication**

❖ Compassion

“You give them something to eat” Mark 6: 37

- Practical action**
- Gives responsibility**
- Takes responsibility**
- Mobilises**

❖ Empowerment

**‘Jesus replied - “How many loaves do you have? Go and see.”
Mk 6:38**

- We only see what we don’t have**
- We only think what we can’t do**
- Using what we have is the beginning of the miracle**

❖ Multiplication

‘They all ate and were satisfied, and the disciples picked up twelve basketfuls of broken pieces of bread and fish.’ Mk 6:42-44

- Started with what they had**
- Looked to God**
- Stepped out in obedience**
- All were satisfied**

Chart 2 Preparing for Success

❖ Aim for Success

What is success?

- Success = Finding out what God wants you to do and doing it.**

- Success = Choosing the right project.**

- Success = Doing something that somebody else wants enough that they are willing to pay you for it.**

- Success = People wanting to buy from you and not someone else.**

- Success = Having something left over from what people have paid you after you have paid out your expenses.**

- Success = Taking care of the leftover money and not wasting it.**

Chart 3 Preparing for Success (continued)

❖ Choosing the Right Project

Either a product you make or grow;
or a service you do for others

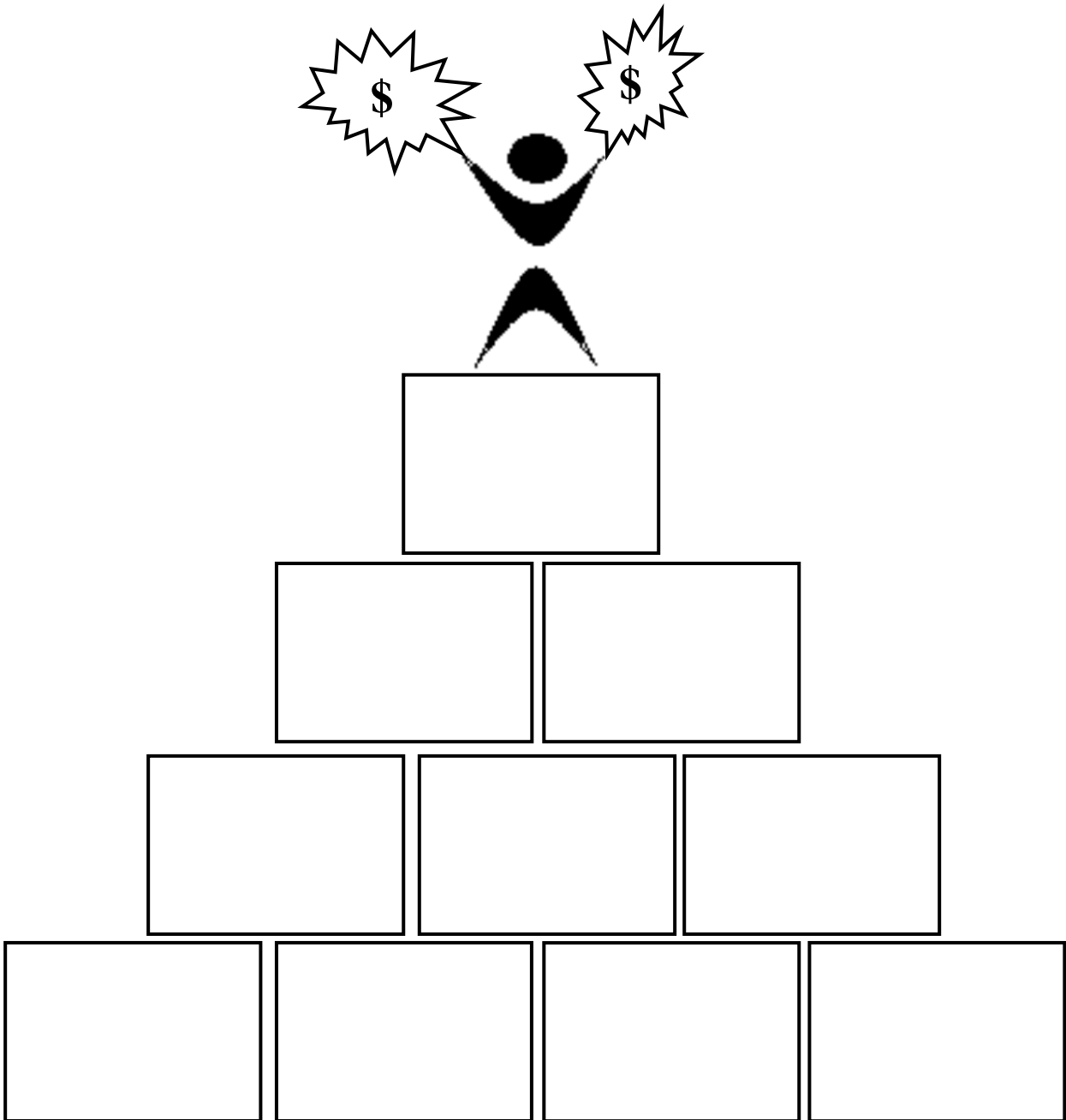


Choosing a project where the three circles overlap gives you the best opportunity for success.

Chart 4 Preparing for Success (continued)

❖ Laying Good Foundations

To succeed you must build your project on good foundations



What do you think these are?

Why Plan?

A good plan will help you to understand:

- **Where you are going and how to get there.**
- **What your potential market is.**
- **What skills you will need and where you can get them.**
- **The risks and how to minimise them.**
- **What you need and when you need it.**
- **How much it will cost.**
- **How much you will need to sell a product for in order to sustain your income and make a profit.**

You can check your progress against a good plan.

Time spent in preparing a good plan will help you to succeed.

Start Small and Simple – the ‘Kiss’ Principle

When starting a new project apply the KISS principle:

- K ▪ Keep**
- I ▪ It**
- S ▪ Small**
- S ▪ Simple**

This will allow you to gain experience without mistakes being too costly.

Chart 6

Planning Your Project

- ❖ **Market Research and Strategy**
- **List what you need to find out eg. :**
 - **Who are your likely customers?**
 - **How many are there?**
 - **What can they afford?**
 - **What is the history of sale prices?**
 - **Who are you competing with?**
 - **Why are your competitors doing well?**
 - **Why are your competitors not doing well?**
 - **Why will they want to buy from you?**
 - **What is your Unique Selling Point?**
 - **What level of sales are you aiming for?**
 - **How will you fix your sale prices?**
- **Plan how you will you find out the information you need?**
- **Plan how will you market (advertise) your product?**

❖ Preparing the Cash Plan

- **Terms used:**
 - **Fixed (overhead) costs:** money which will be spent whether you make any sales or not.
 - **Variable (running or operating) costs:** money which is spent in producing your product or service.
 - **Sales Revenue:** This is the estimated income from selling.
 - **Profit:** This is the sales income less all the costs of providing the goods or products.
 - **Cash Flow:** This is a summary of the money coming into or going out of a project over a period of time.
 - **Break even point:** This is when the project moves from a loss into beginning to make a profit.
- **Making the cash plan:**
 - **List every item of expenditure or income and cost it.**
 - **Establish when you expect to have an expenditure or an income.**
 - **Summarise the estimated costs and sales in a table as the example shown below.**
 - **Don't forget the repayments of a loan if you are planning on taking one!**

Chart 9

Planning Your Project (continued)

- ❖ **Preparing the Cash Plan**
- **Calculating the cash flow**

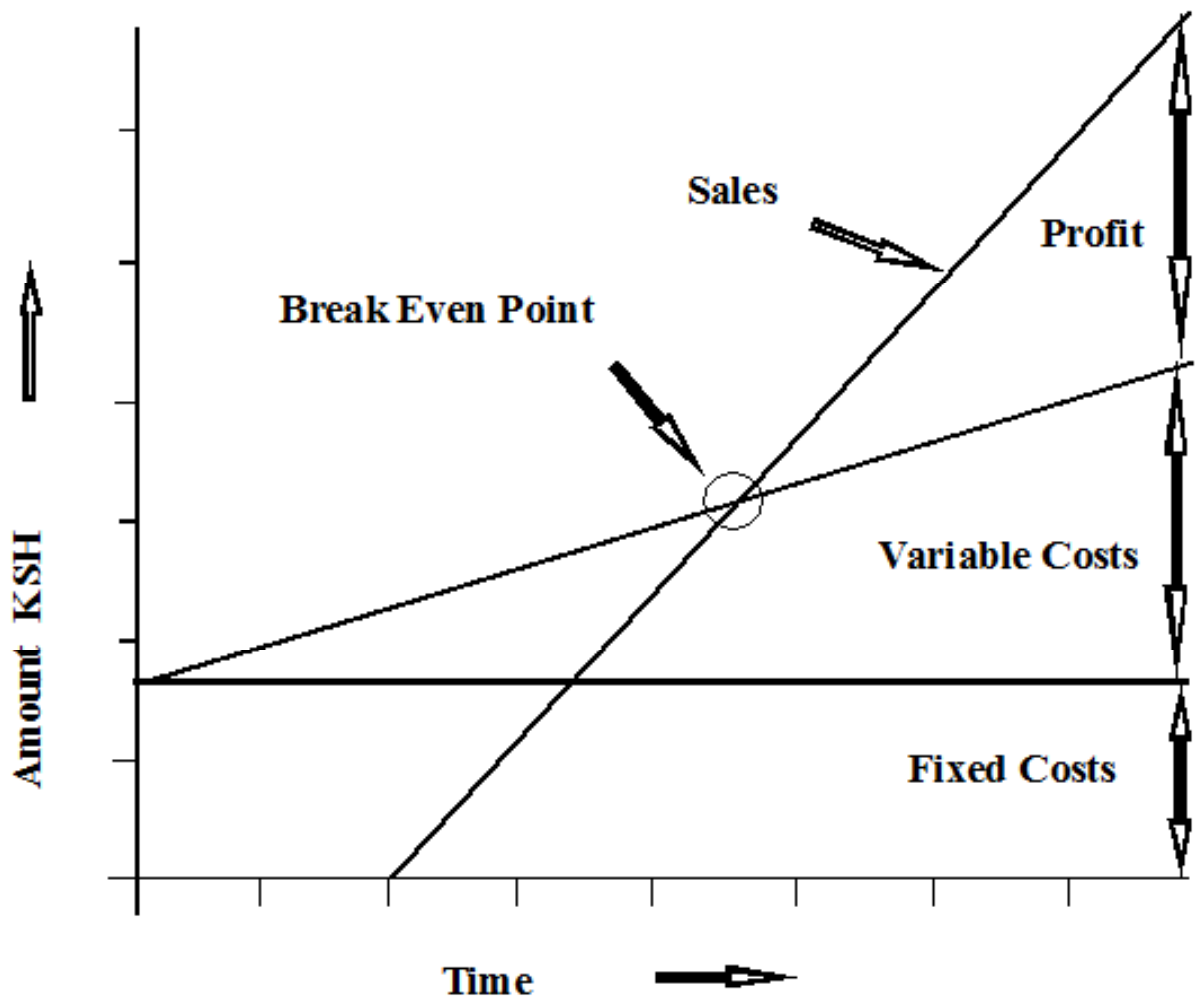
Summarise the estimated costs and sales in a table as the example shown below. The time scale can be chosen to suit your project.

	Cost -ve money out; +ve money in			
Item	Month 1	Month 2	Month 3	Month 4
	Plan	Plan	Plan	Plan
Fixed & capital cost	-20000	-3000	-3000	-3000
Variable cost	-4000	-1500	-5000	-4000
Sales Revenue	0	0	0	+105000
Cash Flow this month	-24000	-4500	-8000	+98000
Cumulative Cash Flow	-24000	-28500	-36500	+61500

- **Make sure that every item is listed and costed – don't forget the repayments of a loan if you are planning on taking one!**
- **Complete it for three different estimated levels of sales – low, medium and high.**
- **The table will tell you how much money you will need to invest before you can make a profit and how long it will take.**
- **If you are planning to take a loan it will tell you how much you will need to borrow.**

❖ Preparing the Cash Plan (continued)

Calculating the break even point



When you have made enough from sales to reach the break even point you begin to get a return on your investment and provided you continue to make sales at the same rate you will make a PROFIT!!

❖ **Keep Records**

• **Keeping records helps you:**

- **Check your progress against your project plan**
- **Recalculate your break even point and cash flow**
- **Know profitability of the project**
- **Make necessary financial decisions early rather than too late**
- **Take advantage of trading opportunities**
- **Plan ahead with confidence**

• **Types of Record to Keep:**

- a) **Agreements**
- b) **Labour Time Sheets**
- c) **Production Records**
- d) **Accounts**
- e) **Cash Flow**

❖ Keep Records (continued)

a) Written agreements between any parties involved in the project.

- Working agreements – groups**
- Loan agreements**
- Rental agreements**
- Employment agreements**

Make clear all terms, conditions and responsibilities of the parties.

- Group working agreements**

To reduce the risk of arguments between people taking part in the project what is agreed should be put in writing before the project is started.

This should include the terms, responsibilities, the financial contributions and the sharing of profit or loss.

- Loan agreements**

Any loans taken should have a clear agreement with the terms and conditions of repayment.

Record when loans received and how much and get receipt signatures.

Record when loans repaid and how much and get receipt signatures.

- Rental Agreements**

Any premises or land rented should have a clear agreement with the term and conditions stated including how long the agreement is for.

Record when rents are paid and how much and get receipt signatures.

- Employment Agreements**

If you are being employed or are employing another person then have a written agreement setting out the terms and conditions of employment including the employee's duties.

Record when wages are paid and get receipt signatures.

Chart 13

Running Your Project (continued)

❖ **Keep Records (continued)**

b) Labour Time Sheets - Who does what and when

Name	Date	Time	Work Carried Out
Rob	22.08.13	8.00 -12.00	Clean out & disinfect chicken house
Jane	22.08.13	8.00-16.00	Selling chickens in market
Ken	22.08.13	17.00-18.00	Updating accounts

c) Production Records

Date	Description	Cost	Comment
22.06.13	100 No. exotic 2 day old chicks bought from Chick Supplies Rongo	50/= each	
24.06.13	2 chicks dead		No obvious reason
22.07.13	98 Chickens debeaked and innoculated	5/= each	Carried out by Gov. vet from MIGORI
22.08.13	98 chickens sold at Migori Market	300/= each	Customers were impressed by quality. Customer wants to buy all next brood – Mob. 0727593876
22.08.13	Chicken house cleaned and disinfected ready for next brood.	900/= disinfecting liquid	Manure sold for 1200/=

Chart 14

Running Your Project (continued)

❖ **Keep Records (continued)**

d) Accounts (Suggested a page for each)

Monthly Income

Date	Source	Amount /=
	Brought Forward (P)	
	e.g. Own money	
	e.g. Loan	
	e.g. Sales	
	e.g. Savings set aside from profits	
Total Income		

Monthly Expenditure

Date	Description	Amount /=
	e.g. Stock	
	e.g. Tools/raw materials	
	e.g. Wages	
	e.g. Rent	
	e.g. Electricity	
	e.g. Savings	
	e.g. Loan Repayment	
Total Expenditure		

Income - Expenditure = P P is for profit!!

You then carry forward the amount (P) to the start of the next page. Remember you may decide to draw something out from the profit to set aside e.g. for next seasons seeds or re-equipping and put this in a separate “savings” account.

Chart 15

Running Your Project (continued)

❖ Keep Records (continued)

e) Cash Flow Table

Each month use the monthly record of accounts to compare the actual cash flow against the planned.

This will tell you how your project is going and enable you to make any necessary decisions as early as possible.

It will enable you to plan ahead with confidence.

	Cost -ve money out +ve money in							
Item	Month 1		Month 2		Month 3		Month 4	
	Plan	Actual	PLAN	ACTUAL	PLAN	ACTUAL	PLAN	ACTUAL
Fixed & capital cost	-20000		-3000		-3000		-3000	
Variable cost	-4000		-1500		-5000		-4000	
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Now prepare a new plan and cash flow for the next period of your project.

Remember!

- ❖ **Using what we have is the beginning of the miracle**
- **Consider these options in this order:**
 1. **Your own savings or sale of surplus items** – no interest, no debt.
 2. **Family or friends** – low or no interest
 3. **Community associations (savings and loan schemes, credit unions, 5000Plus sponsored TRUST scheme)** - low interest
 4. **Micro-finance Institutions** - high Interest/short term
 5. **Banks. Not usually geared for small loans or unsecured debt** – high interest

Remember you need a good plan as it will show others (family, an investor, a community savings and loan group, an NGO, a bank manager) that you have a sound proposition.