

# Chapter 5

## Lifelong Learning and Small Businesses Management Skills

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### 5.1 Introduction

The Kellogg Foundation and Ba Isago University College projects provided an additional workshop to the San Community in D’kar which was designed to equip them with small business management skills. It is not enough to give entrepreneurs a motivation to start a business. Businesses demands day-to-day management skills. This workshop was a follow-up to the initial training in Lifelong Learning and Entrepreneurship Development Training workshops held for the same San target group. This training provided nuts and bolts of running a business and looks into the challenges of operationalizing business knowledge and theories.

Apparently the Government of Botswana provides some training to those who want to start their own businesses but the difference is that only those who have been given loans by the Citizen Empowerment Development Agency (CEDA), a Government parastatal qualify to take part in this training. Ba Isago University College and W Kellogg Foundation Project permitted all members of the San Community in D’kar to take part in the training and also provided translated materials. The participants were further motivated by the local government and small business development agencies which run workshops with them to give them funding options for their projects.

### 5.2 Theoretical Framework

**Management** in small and large businesses means to coordinating the efforts of people to accomplish goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading or

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directing and controlling an organization or initiative to accomplish a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources, and natural resources. Since organizations can be viewed as systems, management can also be defined as human action, including design, to facilitate the production of useful outcomes from a system. This view opens the opportunity to 'manage' oneself, a prerequisite to attempting to manage others. Small and Medium-sized Enterprises (SME) are recognized as a significant part of both developed and developing economies. Numbers signify their importance as SMEs usually represent more than 99% of all enterprises in almost every country. For developing economies they are especially important as SMEs play a critical role in poverty reduction through employment generation.

Management operates through various functions, often classified as planning, organizing, staffing, leading/directing, controlling/monitoring and motivation.

- **Planning:** Deciding what needs to happen in the future (today, next week, next month, next year, over the next five years, etc.) and generating plans for action.
- **Organizing:** (Implementation) pattern of relationships among workers, making optimum use of the resources required to enable the successful carrying out of plans.
- **Staffing:** Job analysis, recruitment and hiring for appropriate jobs.
- **Leading/directing:** Determining what must be done in a situation and getting people to do it.
- **Controlling/monitoring:** Checking progress against plans.
- **Motivation:** Motivation is also a kind of basic function of management, because without motivation, employees cannot work effectively. If motivation does not take place in an organization, then employees may not contribute to the other functions (which are usually set by top-level management).
- **Communicating:** is giving, receiving, or exchange information.
- **Creating:** ability to produce original ideas and thoughts through the use of imagination

According to economic theory, entrepreneurs are individuals who:

- (1) innovative (Schumpeter 1942),
- (2) take economic risks (Knight (1921); Kihlstrom et al. (1979); Kanbur (1979), and Jovanovic (1979)), and
- (3) are considered jacks-of-all-trades in the sense that they have a broad skill set (Lazear 2005). Policy makers often consider entrepreneurs to be job creators or the engines of economic growth.

Entrepreneurs have to perform all the above functions and ensure that businesses remain profitable. Small businesses are the best form of economic ventures that individuals must undertake to support their families and also provided employment to some of their community members. It is necessary that those who run small to medium businesses receive the necessary training and for the reason Ba Isago University College and the W Kellogg Foundation provided the San people of D'kar with workshops on small business management.

Successful operations of businesses can borrow from Peter Drucker's management theories on the idea of decentralization, in the 1940s, which became a bedrock principle for small and big businesses. He was the first to assert, in the 1950s that workers should be treated as assets, not as liabilities to be eliminated. He originated the view of the corporation as a human community, again, in the 1950s, built on trust and respect for the worker and not just a profit-making machine, a perspective that won Drucker an almost godlike reverence among the Japanese. He first made clear still the '50 s, that there is "no business without a customer," a simple notion that ushered in a new marketing mindset. He argued in the 1960s—long before others—for the importance of substance over style, for institutionalized practices over charismatic, cult leaders. He wrote about the contribution of knowledge workers in the 1970s long before anyone knew or understood how knowledge would trump raw material as the essential capital of the New Economy. The above theoretical framework provided sound knowledge base for the Ba Isago University College training programme to share some important concepts and principles of running small businesses with the San Community workshop participants so that in the event they decided to start their own businesses, they possess relevant theoretical scientific knowledge on how to run their businesses successfully.

### ***5.2.1 Kuru Development Trust***

Kuru Development Trust has been running a number of small businesses using mostly outside expatriate professionals, who leave the organization at the end of their contracts. It Trust runs the following:

1. Game Farm
2. Art and Crafts Cooperative
3. Museum
4. San Dance Festival and
5. Vegetable garden

These projects employ San general workers but the skilled positions such as Project Managers, Accountants and Marketing Managers are in the hands of expatriates. This causes a perennial frustration on the part of the San who feel debilitated when these professional do not share information or carry out any substantial capacity building programmes to enable the San locals to take over their positions. This precarious state of affairs was observed by the Ba Isago Community Engagement Team and a deliberate decision was made to provide special training to the san in the above projects so that they could gain knowledge on how to run these enterprises.

It was also discovered that the Trust had started a tannery, which ran for some time but eventually failed because the workers failed to run the finances professionally of the factory. There was a leather goods manufacturing factory which made belts, horse saddles and many other types of leather goods. It operated from a building that was owned by the Trust but the tailors who made products were not employed by the Trust. They worked as independent business persons who did not

have small business management skills. As a result the factory closed down. The Ba Isago Evaluation Team discovered that one of the reasons the factory failed is that there was no ownership of the business by those who

This course comes to consolidate and build up the acquired skills to equip the participants involved in San projects, with practical/hand-on skills of running their businesses.

**Context of the training:** Before the training workshops was conducted, it was necessary for the consultant to establish the extent to which participants had been involved in running businesses of other people. While a number of participants had worked for other business establishments, it was established that they worked only as general workers. Only two participants had some bookkeeping background but at a very elementary level in which they receipted monies received from clients and then handed over the cash to clerks or supervisors.

The first training was well received as shown by the evaluation forms, which reflected that most of the workshop participants wanted to start their own businesses and felt that they had the capacity to do so. This training was more demanding in terms of its content and concepts. The level of participation was much lower in this workshop and it was also evident that participants had fewer questions for the trainer than in the previous workshop.

The level of participation in group work activities was also reduced and only the younger participants presented their work during the session. The older members of the groups needed more help during the workshops in the form of extended explanation of concepts and repetition of some training materials.

**(ii) Course Structure:** This module covers practical skills of management paying more attention on the frequently used skills by small businesses. The coverage of the module included skills in: Planning, Leading, Organizing, Controlling, Coordinating, And Communicating. The CEFE Participatory Training Methodologies shall be used.

*(iii) Course Objectives:* The purpose of training is to give hands-on skills of running one's business:

- To equip participants with business management skills
- To guide participants in doing selected management tasks
- To give tips on record-keeping and management of business resources

## 5.3 Summary Notes and Exercises

### 5.3.1 Presentation 1: Planning Skills

The training started with a class exercise for the participants to quickly read the trends and changing systems around them for development of skills in PLANNING.

They managed to read systems and changing seasons in business. The exercise was followed by a group activity in which participants were to develop plans/steps to follow in purchasing a truck.

Groups presented their work and they all managed to produce logical steps to follow to buy a truck.

The group exercise was followed by class discussions to reinforce concepts learnt:

### 5.3.1.1 Definition of Planning

The process of stating or listing things or activities to be done in order to achieve the stated goals

Reference was made on concepts covered in the previous workshop on Goals and Business Influences:

**SMART Goal** Specific, Measurable, Achievable, Realistic, Time-framed

Just as a SMART Goal, good plans must have the above qualities

**Factors affecting Planning** It was also realized that factors influencing progress of business are also key factors affecting planning:

### 5.3.1.2 PESTEL

- Political: the role and interests of the ruling party, local Counselor, MP and other authorities
- Economic: the effects of prices, inflation, currency values, interest rates, employment rates
- Social: the role of culture, religion and community members and their interests
- Technological: the influences of computers and machinery in business
- Ecological: the need to protect the environment and reduce pollution and global warming
- Legal: the influences of the local council by-laws, licenses, registrations, government laws
- Time of doing business and the need to put time-frames and respect deadlines
- The need to have a place of doing business or of executing plans
- Resources are key in ensuring that plans are full-filled such as human, funds, materials, machinery
- Planning considers the needs of customers and influences of competitors and how to counter them
- Learning from past experience or mistakes

### 5.3.1.3 Planning Tables

All plans need to be recorded in flow charts and systematic tables answering specific questions such as:

What Activity?	Where?	By Who?	By When?	To give which Results
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## 5.3.2 Presentation 2: Leading Skills For Managers

The learning concepts on Leadership are set to build on the experiences of the previous courses and group exercises done. Participants were asked to identify their Leaders/Managers in the groups without the involvement of the trainer. They will be asked why they chose the persons to lead them. They will start noting qualities of good leadership such as outstanding, taking initiative and guide others through the exercise. Considering their experiences, will be easy to define leading.

### 5.3.2.1 Definition of Leading

Leading as the process of influencing others to act or behave in a certain way in order to achieve the stated objectives.

### 5.3.2.2 General Qualities For A Good Leader

Further discussion went into participants being able to list the qualities of a good Leader. They managed to identify good leadership in terms of the following broad areas:

-Respect for time and others	-Commitment	-Personal management
-Natural skills (charisma)	-Physical qualities	-Intellectual qualities
-Communication & Inter-personal skills	-Knowledge/skills/talent	-Uniqueness

**5.3.2.3 Specific Characteristics of a good Leader:**

The above qualities can be broken down into simple and specific characteristics of a good leader such as:

Takes Responsibility	Ability to delegate and train others
Good communicator/listener	Hard worker
Has inborn skills/drive (Charisma)	Fair
Quick and effective decision-maker	Consults others
Honest	Transparent
Confident	Cooperative
Disciplined	Independent
Good-look/well-groomed	Tolerant
Respect of each other's and others' views	Knowledgeable/skilled/talented
Attractive appearance	Powerful (Spiritually/physically)
Healthy and of sound mind	Good time-management
Helpful	Visionary

**5.3.3 Presentation 3: Organising Skills For Managers**

These skills will easily be covered through a simple individual exercise to re-arrange three mixed numbering systems:

- Letters of the Alphabet
- Roman Numeral
- Conventional/Cardinal Numbers

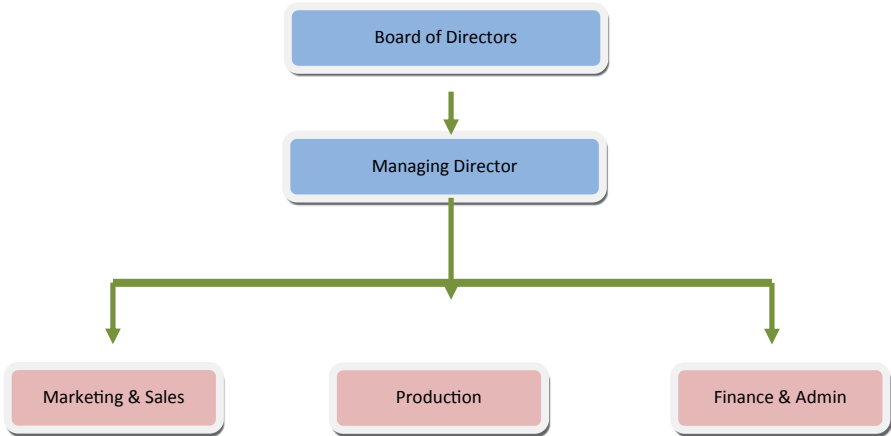
These numbers will be mixed and each participant will come up with a new arrangement showing the same numbers in order in their own group.

Class discussions brought the system used to put these mixed numbers in order and thus came up with the meaning of Organizing.

**Definition of Organizing** Organizing is the process of dividing and sub-dividing large volumes of work into smaller and manageable units.

**Organizational Structure** Participants went through the manner businesses should be arranged from the Organizational Structure to the stages in which they produce or provide their services.

The following will be a simple organizational structure showing the set-up of a small production company:



### 5.3.4 Organizing Production Processes

#### 5.3.4.1 Individual exercise

With aid of a diagram (flow chart),

Each participant will be asked to produce a diagrammatic illustration of the stages he/she will follow to do production/provide a service in the project he/she runs or wants to run. This was well done as most participants followed the basic production stages:

Gather Resources → Measure → Processing → Finalize → Packaging → Selling



## 5.4 Day 2

### 5.4.1 Presentation 4: Controlling Skills For Managers

The skills can be introduced by class discussions on the usual activities in life there controlling takes place:

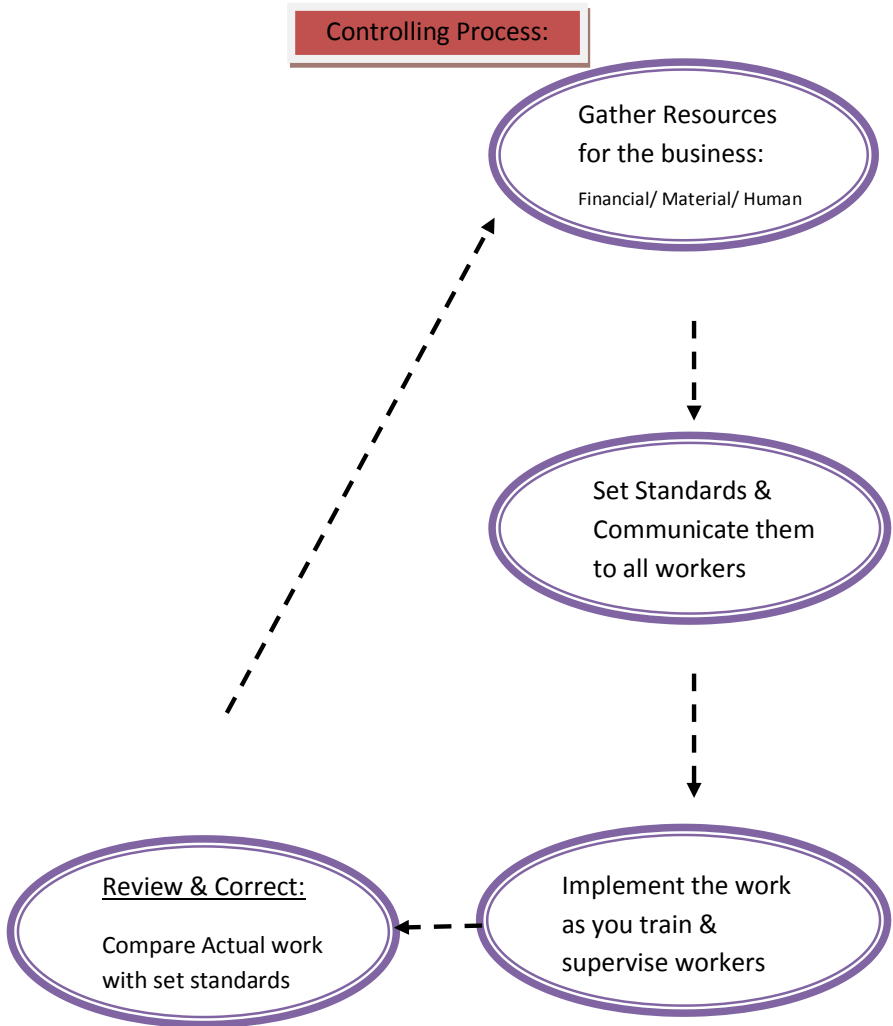
Controlling your family	Controlling a car when driving
You tell your children the rules and regulations	You ensure your engine is fit for the road
You guide them through the proper behaviors	You start the car and ensure that all is ok
You allow them to play and learn	Use the steering wheel to direct the car to where you want to go
You monitor them	Driving on the road you continue to direct the car to where you want following road rules, markings and signs
You correct their errors	Traffic police will check if you are driving according to the law

After discussion of such common examples where people use Controlling, it can be related to business.

**Definition of Controlling** This is the process of keeping the business run in line with the set standards/targets

### 5.4.1.1 Tools of Controlling in Business

To succeed in controlling business activities is centered on the need to identify and meet the standards set:



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Ensuring the use of inspected building
Ensuring tight security systems
Ensuring registration and insurance of equipment
Workers to have certificates, job descriptions, contracts, registrations, permits
Lease agreements
Sustainable capital/funds to run business
Meeting health and safety standards
Compliance with the law
Adherence to working hours and procedures
Reporting to authorities
Record-keeping and books of accounts
Inspections and audits
Plans and targets in terms of quality/quantity

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### ***5.4.2 Presentation 5: Coordinating Skills For Managers***

#### **5.4.2.1 Definition of Coordinating**

This is the process of linking different organizational activities so that the organization can be viewed as one united unit.



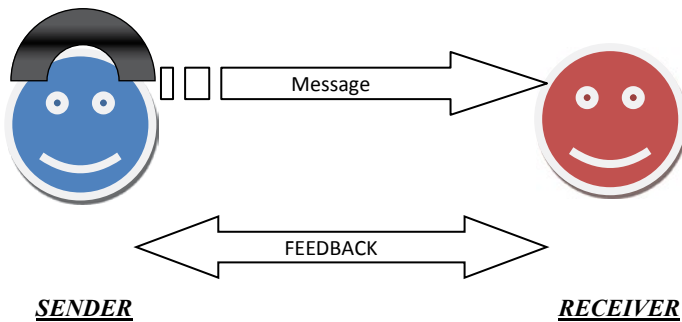
### 5.4.2.2 Tools of Coordination

- Delegation—passing duties to subordinates
- Meetings
- Workshops
- Seminars
- Training Sessions
- Reports
- Consultations
- Communication
- Visiting (personal contacts)
- Functions/gatherings
- Researches

### 5.4.3 Presentation 6: Communicating Skills For Managers

#### 5.4.3.1 Definition of Communicating

This is the process of sending and receiving messages form one person to the other  
Illustrations of the Communication Process:



#### 5.4.3.2 Importance of Communication in business:

- It helps to process the formation and registration of a business
- It helps the owners of business to acquire all the capital and assets of running a business
- Its helps you to tell other people about your business
- It helps to facilitate the production of the products of the business

- It helps to reach out and attract customers who will buy from the company enabling the business to make income which will translate into profits for sustainability of the business.
- It helps you to give, hear, listen and understand important information, instructions, rules and regulations from other people and organizations you work with in business e.g. Your business partner/s, community & government authorities, workers, customers, competitors

**5.4.3.3 Tools and Barriers to Communication**

Tools of communication	Barriers to communication
Verbal- by word of mouth	Poor hand writing/print
Written by letters	Poor health
Telephones	Bad technical connection of equipment
Computers and Internet	Power/network failure
Fax	Natural weather conditions
Postal/courier services	Noise
Electronic media; TVs/radios	Lack of knowledge
Print media: newspapers, magazines	Poor voice projection
Non-verbal communication	Lack of resources e.g. money, equipment
Body language	Culture/religion/life-styles
Dressing	Lack of confidence
Sounds	Breakdowns/accidents
	Conflicting characters/personalities

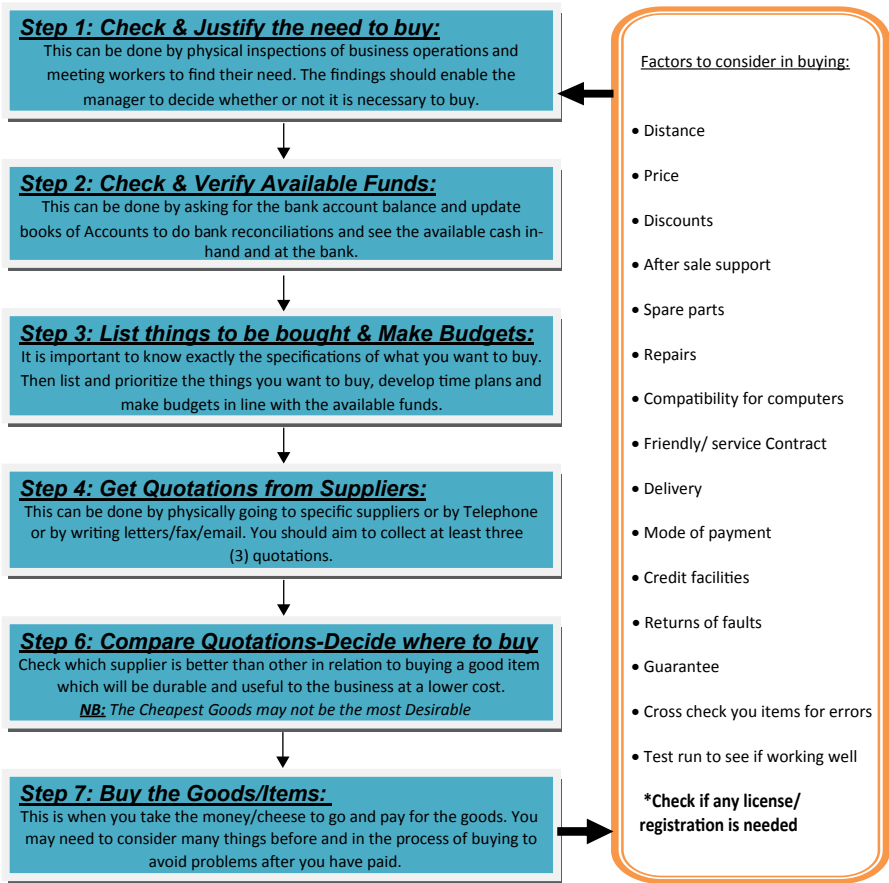
**5.5 Day 3**

**5.5.1 Presentation 1: Purchasing Skills**

This is one of the major day-to-day functions of managers in a small business. If not well done it may lead to serious losses and eventually lead to the collapse of the business:

**Definition** Purchasing is the process of buying or acquiring materials and assets for a business.

### 5.5.2 Effective and Systematic Purchasing Follows the Following Steps



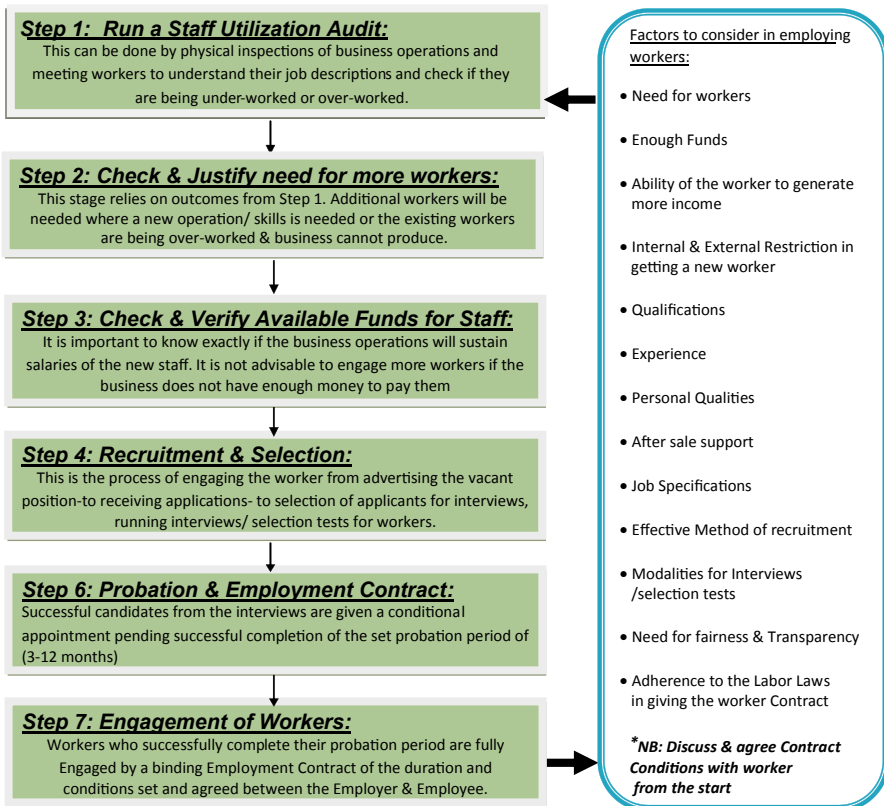
## 5.6 Day 3

### 5.6.1 Presentation 2: Management of Staff

The is sometimes known as human resources/personnel/manpower management

**Definition** Staff management is the process of ensuring that the business has the right workers at any time and ensuring that the workers are fully engaged to work and achieve the objectives of the organization.

### 5.6.2 Staff are Resources. Just like in Purchasing Managing Staff Follows the Following Steps:



## 5.7 Day 3

### 5.7.1 Presentation 3: Record-keeping

## 5.8 Day 3

### 5.8.1 Presentation 4: Record-keeping

Records very important in business and it are the responsibility of every manager to ensure that records are kept clearly and accurately.

**Definition** Record-keeping is the process of sourcing and maintaining information and documents.

In business therefore information and documents to maintain concern business transactions that is the movement of workers, materials and money in and out of the organization

### 5.8.2 Types of Records

Generally there are three ways in which records can be kept in the business:

Narrative records: These are records with explanations and details	Numerical records: These include numbers of money, people or other goods	Graphical Records: These include tables, graphs, pictures and diagrams
Plans: mission, vision, targets, objectives	Numerical reports include: Research report on field, Market, impact etc.	Organizational structure Action plans/flow charts
	Instructions, job descriptions	Financial books of accounts Statistics on staff, recruitment, attendance
Narrative reports from staff/supervisors/managers/directors	Final accounts e.g. end of year financial report	Production and business performance
Communication messages e.g. Letters, memos	Registers of attendance to work, meetings, training	Financial records Instructions, direction and other sign posts
		Customers and sales records
News e.g. External/internal publications	Inputs into production and outputs of finished products	Marketing share and coverage/direction maps
Contracts e.g. Purchase, title deeds, lease, employment, supply		

### 5.8.3 Importance of Record-keeping in Business

To track down the movement of money as money is the blood of the business	To identify the sources of revenue and lines of expenditure for your business
To be well-informed and make timely and accurate decisions	To have documents for prepare financial statements and prepare TAX returns
To remind the workers and managers of previous work done e.g. orders/money	To provide evidence to auditors and government inspectors
To formulate the strategy of your business e.g. costing/pricing/countering competition	To comply with the law
	To save time in looking for information
To provide reliable basis for planning, monitoring and evaluation of business	To improve the efficiency, effectiveness and profitability of the business
To apply for loans and investments	To held managers to learn from the past



Participants were introduced to some of the commonly used record-keeping, asset purchase forms and contracts.

List of Items to be included in some Commonly used Contracts:

Contract of employment	Contract of lease
Employment Contract Heading	Lease Contract Heading
Name and address/contacts of the company	Name and address/contacts of the company
Name and address/contacts of the employee	Name and address/contacts of the landlord
The position of employment	The property of lease
Duration of the contract	Duration of lease
Duration of probation	Time of notice to vacate
Payment (wages/salaries/commissions)	Payment (rent)
Working hours	Rent deposit
Conditions of employment	Conditions of lease
Job description	Expectations of tenant
Job outputs	Expectations of landlord
Qualities of the person	Conditions for alteration/improvement
Special requirements of the job	Repairs and damages
Adherence to company policy and procedures and laws of the country	Adherence to lease conditions and laws of the country

**5.8.4 Sample simplified cash books were presented for participants:**

(a) MAIN CASH BOOK:

This is simply recording money coming in and money going out of the business. It can be divided into two books:

- One for only Cash Book
- One recording Cash movement in the Bank

**NB: The Format Cash Book is the same for these two Cash Books**

- (i) Goods/Stock Record: for recording the quantities of goods/stock Received, Issued & Balance
- (b) PETTY CASH BOOK: The naming and break down of columns shall depend on the company/manager/

**5.9 Conclusions**

This chapter illuminated the role of Kellogg Foundation in giving opportunities for Lifelong learning entrepreneurship opportunities, and training in and small

businesses management skills. Although no amount of training can be exhaustive in terms of the needs of an entrepreneur,

Communication, planning, productivity and creativity are some of the important business management skills for entrepreneurs. Other critical points for success include social networking, speaking skills, creativity in marketing what is on sale, being productive enough to accelerate sales, and proper record keeping. Without record keeping, entrepreneurs are unable to discern profits and losses to their enterprises.

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