

Enterprise Development Facilitator's Manual



Conceptualisation & Development

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Manual 2

Enterprise Development

Foreword & Acknowledgement

A key focus area for ACCESS is to empower communities by building their financial and business skills. Over a period of time, ACCESS has developed its own innovative pedagogy to deliver financial and business literacy and help the poor to establish and strengthen their nano-enterprises as also to benefit from government schemes and entitlements.

This document is a part of a set of three manuals that will equip a trainer to effectively deliver trainings on a curriculum encompassing financial, business and digital literacy and gender sensitisation. This set of manuals can be used for training delivery as a holistic curriculum or individual manuals can be used for training delivery on selected training topics based on specific training needs of the participants. The manuals have been written in a lucid manner for ease of understanding and use, and is adaptable to cater to diverse participant groups and learning levels.

The development of this set of Trainers' Facilitation Manuals has been a collaborative journey traversing multiple projects and engaging many partner organisations and over the past decade. This is our modest attempt to thank all the stakeholders and teams that have contributed to this body of training resources.

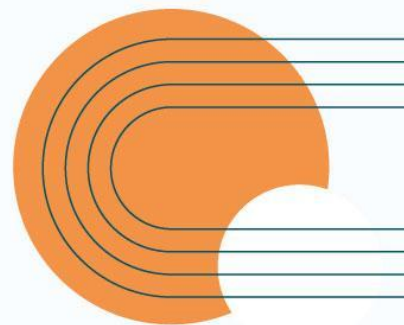
We express our sincere gratitude to Mastercard Centre for Inclusive Growth for providing sustained support to ACCESS, since 2017, as a strategic partner in our endeavour to deliver financial and digital literacy to nano-entrepreneurs across the country. Their generous support over the years allowed us to establish the iconic persona of BuddhiMoney, the dynamic and affable mentor-next-door who helms all our training resources and has become an inspiration for thousands of women entrepreneurs across our programmes.

We are grateful to USAID for supporting the BuddhiMoney initiative through the 'Samridhi – Kirana for Women' project and encouraging us to address the important dimension of gender sensitisation within the curriculum for financial literacy, digital literacy and enterprise development. This holistic approach has allowed us to unravel and address the nuanced linkages between gender norms in society and women's economic empowerment. This collaboration between USAID, Mastercard Centre for Inclusive Growth, ACCESS and DAI, in particular, enabled us to expand and scale our outreach and impact on women entrepreneurs' digital and financial inclusion.

We would also like to extend our thanks to important partners such as HSBC who supported the development of the BuddhiMoney programme during its earlier formative years.

We extend our gratitude to the external consultants and experts who have contributed towards giving this set of resources its final shape. Rashmi Singh brought her expertise into designing the Gender Sensitisation module and regularly engaged with our communities resulting in a module that is grounded and effective. Tanisha Guin helped to write out the Manuals 1 and 2 in a lucid manner and the team at Small Time Brandits has worked on the layout and design of the manuals, giving it a vibrant and attractive look. We also thank the many subject area experts from amongst our network of partners and friends, who provided their feedback and inputs pro bono, towards raising the technical accuracy of the content.

We would also like to thank the various communities and the micro-entrepreneurs that we work with for being the inspiration and lodestar for us in our efforts towards generating these training resources and for providing us with their honest and candid feedback on the effectiveness of the resources and the topics that should be covered.



Foreword & Acknowledgement

Finally, we extend our thanks to our own technical and implementation teams within ACCESS that have worked over the years to develop this rich repository of BuddhiMoney training resources comprising of animation videos, training deck slides, self-learning presentation videos, trainers' facilitation manuals and a training app. The teams, comprising of Anoosha Singh, Aryasilpa Das Adhikari, Keerti Bhandary, Mayukh Hajra and Priyamvada Rathore have put in their utmost creative and technical efforts under the leadership and guidance of Radhika Agashe and Vipin Sharma to deliver these resources that are today being widely used and appreciated for their technical quality and effective pedagogical approach.

Developing this set of training resources has been, for our team at ACCESS, a labour of our passion for micro-enterprise development and women's economic empowerment and we are immensely proud of it. We would like to offer these resources for use to all who wish to strive for enterprise promotion and women's economic empowerment. We hope you will find these resources useful.

ACCESS Development Services
New Delhi

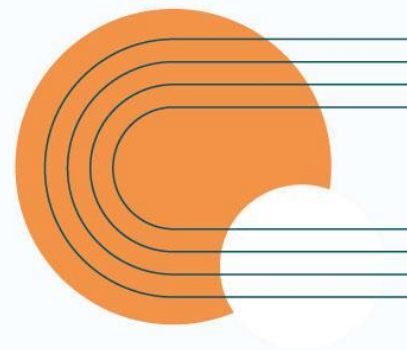


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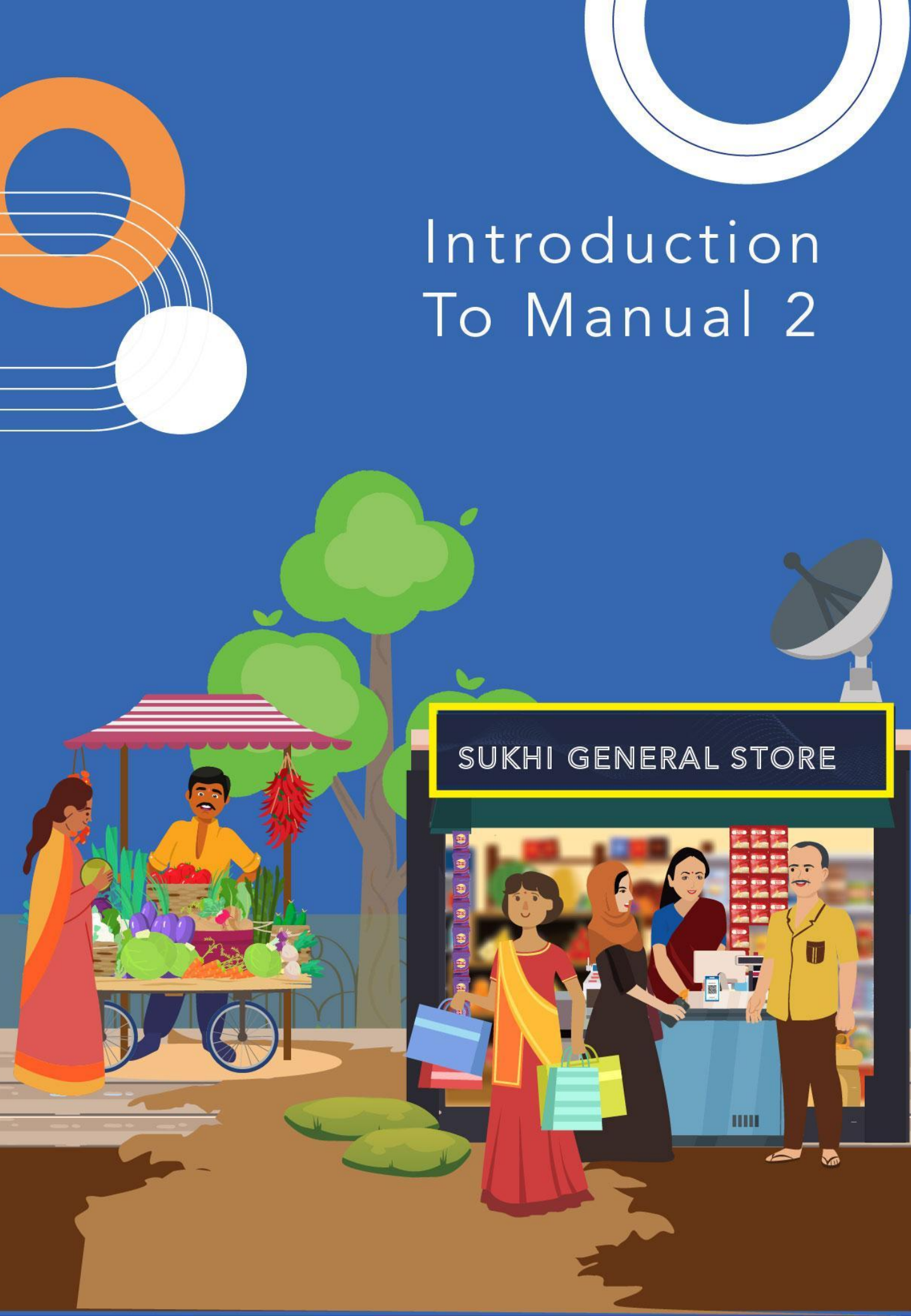
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Introduction To Manual 2



SUKHI GENERAL STORE

Dear Facilitator,



Welcome to Enterprise Development: Manual 2

This manual is designed to help you conduct enterprise development training using the chapters included in this manual.

With the help of this manual, you will be able to:



Conduct enterprise development sessions in an interactive manner



Equip kirana entrepreneurs in managing their kirana business financially and accessing safe and legal credit options



Enable kirana entrepreneurs to manage their inventory efficiently



Build knowledge and skills to enhance their entrepreneurial journey

Through this manual, you will be able to throw light upon various crucial topics which will help the kirana entrepreneurs be able to manage their finances, inventory and provide them a holistic learning to develop and promote their enterprises.

The manual follows a three-part outline wherein the kirana entrepreneurs are firstly taught to envision the future of their enterprises through a visioning exercise (step I), secondly, they are taught to streamline and utilise their existing systems to their full potential (step II) and lastly, they are introduced to the topic of scaling their businesses by accessing credit facilities (step III).

Using this manual, you can make a difference in the life of a kirana entrepreneur, help her scale her enterprise and encourage her to reach new heights.

All the best.

Happy Facilitating!



How To Use This Manual?

Dear Facilitator,

This manual has been designed keeping you in mind. It aims to support you with everything you will need to skill, train and assist women entrepreneurs in their new journey of becoming skilled entrepreneurs and run their kirana enterprises successfully in the digital age.

This manual incorporates interactive-learning techniques which are heavily based on discussion-based approaches. The manual was designed keeping in mind the learning approaches of visual, auditory and kinesthetic learners.

As a facilitator, you have to drive insightful discussions and share your knowledge & expertise to unlock their unexplored areas of strengths.

Here is how you will use the manual:



1. This manual comes with an Annexure (II) and a slide deck

2. Before you start facilitating the session, it is best suggested to thoroughly read both the sides of the manual



3. On the **left-side** of the manual is the core content that has to be delivered in the classroom



4. On the **Right-side** of the manual are the guidelines and nudges which will help you deliver the content effectively



5. You will have to step-by-step follow the instruction given on the right side of the page to conduct the session and refer to the corresponding text on the left side to deliver the content.

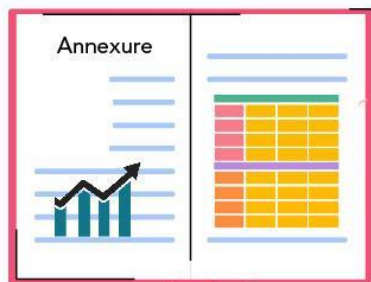
6. To be completely prepared for the session, it is best advised to refer to the content in the slide-deck before projecting it in the class. Projecting the slide deck as you deliver the content will help make the learning space inclusive for visual learners



7. There is an activity at the beginning of every new chapter. These activities are included to help the women kirana entrepreneurs equip some important life skills or learn to think in an interdisciplinary approach.

8. Before conducting these activities ensure you have all the materials in place and have gone through the debrief thoroughly





9. In selected sessions, you will have to refer to the Annexure for charts, tables, and elaborate technical concepts. There are prompts given on the right-side mentioning where exactly you will have to refer to the annexure. Make sure you keep a close eye for the same

10. The manual ends with a Training Feedback Form which has to be printed and shared with the participants once each chapter of the manual has been delivered



11. Please note that the participants will have different levels of knowledge. As you proceed with each chapter, use the discussion questions provided on the right to get a sense of the participant group's level of knowledge about the session topic. Adapt the training to your participants' needs.

12. Note: Certain chapters in the manual are focused on providing gender-specific training to women participants. Whenever you spot the above given logo, you can choose either to deliver content in a gender-specific or gender-agnostic manner depending on the gender dynamics of your cohort



13. After every session is delivered, you are expected to fill the trainer self-evaluation form to reflect on your content delivery and training

Note: This manual will provide you with all the necessary content and guidelines you will require to conduct interactive sessions. However, you should not be limited by the information in this manual and should feel free to use other appropriate digital information too.



Traits That Will Make You A Star Facilitator!



Being a good facilitator is key to your success as an educator. Anyone can facilitate a meeting well, even shy people, as long as they know a few simple tricks.

Here are some tips for being an effective trainer:



1. Be prepared!

- Plan what you want to say in advance.
- Plan and prepare all the materials you need to bring to the meeting in advance.



2. Keep the training focused!

- Announce the agenda of the meeting and how long the meeting will take.
- Explain the purpose and objectives of the meeting.
- Keep the training on track and do not let it get sidetracked to unimportant topics.
- At the end of the training, agree on action plans. Action plans are simple, practical follow-up actions that everyone should take after the training.



3. Create a positive atmosphere at the meeting so everyone feels like they can share their views without fear!

- Create a positive, friendly atmosphere with your participants.
- Address everyone by their name.
- Make everyone feel comfortable speaking by being respectful of everyone's questions and comments.
- Patiently listen to others without making judgments.
- Do not make rude remarks if someone says something that is incorrect.
- Encourage training participants to actively participate and share their views by asking them questions and engaging them in discussions and activities. This will keep them alert and interested.



4. Listen to people's answers and thank them for participating.



5. Be loud and clear!



6. Invite and inform guest speakers early

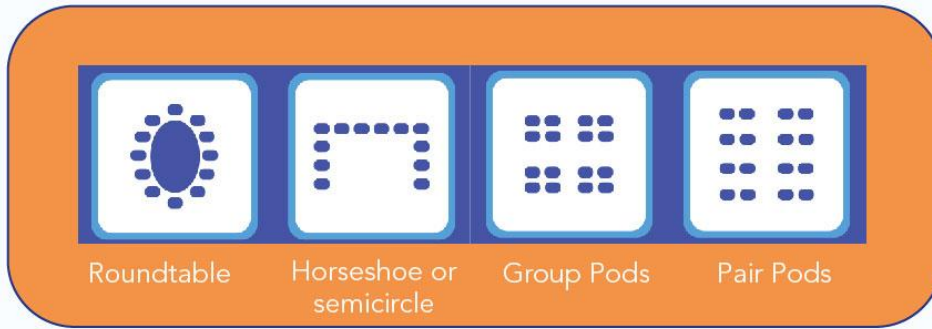
- Explain to them what they should talk about so they can prepare and bring any materials they need
- Ideal guest speakers would involve industry experts who either have very rich experience or have specific experience in working with beneficiaries coming from underserved communities







Notes To Help You Conduct Successful Sessions




Learning Space Design

The chapters in the manual are discussion-oriented and would require you to conduct the sessions using any one of the following seating arrangements:



-  For activities that require you to be at the center of the class, opt for the **Roundtable arrangement**
-  For activities or for delivering instructions that require you to give undivided attention to every participant in the class, go for the **Horseshoe or Semicircle arrangement**
-  For activities that are to be conducted in groups, make the participants sit in **Group Pods**
-  For activities that are to be conducted in pairs, make the participants sit in **Pair Pods**

Here is a table for your reference that will help you understand what scenarios best suit a particular seating arrangement:

Seating Arrangement	Purpose
	Training participants and instructors face one another in this setup, which can support whole-class discussion as well as partner dialogue.
	The horseshoe or semi circle offers a modified roundtable setup, where all participants face each other while the instructor can move about the room. The horseshoe encourages discussion between students and with the instructor. A horseshoe setup can be particularly effective when the instructor wishes to project and discuss course related material in the front of the class.
	This arrangement can be especially advantageous when students will work in groups or pairs with their classmates for a large portion of class time. More generally, this arrangement communicates a learning community where students are expected to work with one another.

Note: Depending on the space availability, feel free to choose any amongst the suggested seating arrangements as far as individual and peer-to-peer learning is not compromised.

Expected trainer body language



Divide eye contact

Divide your eye contact over the room and look the audience in the eye.

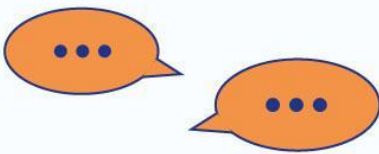
Gesticulate

Gesture with your arms and hands in a natural way to keep your audience attention.



Keep your back straight

This position will make you breathe better and you'll feel more relaxed.



Bring movement to your speech

Use the physical space you have available and walk it.



Smile

To make your audience comfortable simply smile at them. Smiling is our most powerful tool.



Authority, keep calm

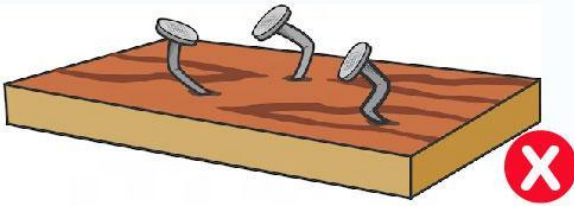
Demonstrate authority keep calm and use small stiff gestures. This way people will trust you and view you as a confident person.



Encourage participation

Use open gestures and if possible walk around and towards people. We tend to participate more when we have proximity to a speaker.

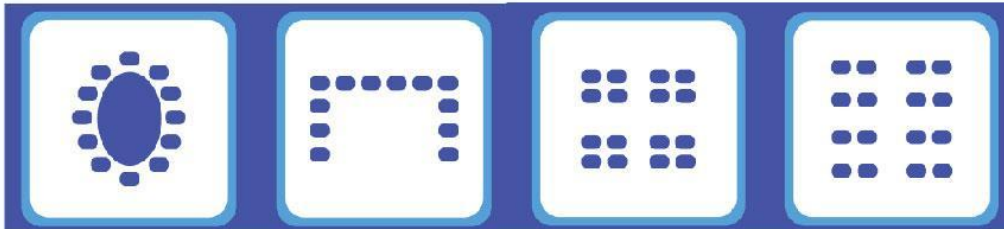
What would an ideal learning environment to conduct these training sessions look like?



No rough or sharp edges, protruding nails or screws, tripping hazards



Outlets are covered & fire safety equipments are in place



Seating is comfortable for longer sessions, there should be proper ergonomic furniture; the basics being a desk and a chair

The placement of desks and chairs should not be fixed and should be mobile instead to change the seating arrangement, as and when required



In case of amphitheatres or outdoor learning space, area should be free of trash and animal waste



There should be access to clean drinking water and clean & sanitised washrooms



The classroom should be well lit and not dull

CHAPTER 1

BASIC ORIENTATION



Chapter 1

Basic Orientation

Session 1

Introduction

- Introduction to the Programme
 - a. Formal Introduction
 - b. Ice Breaker
 - c. Storytelling Activity
 - d. Visioning Exercise
 - e. Conclusion



STEP 1 **Visioning**

Of the three-part outline, we will be starting with the first step, envisioning the future of their enterprises through a visioning exercise

STEP 2 **Streamlining**

Now that we have learned about the ways to streamline our existing processes, we will move on to the next step of the three-part outline, i.e., scaling kirana businesses by accessing credit facilities.

STEP 3 **Scaling**

Now that we have learned about the ways to streamline our existing processes, we will move on to the next step of the three-part outline, i.e., scaling kirana businesses by accessing credit facilities.

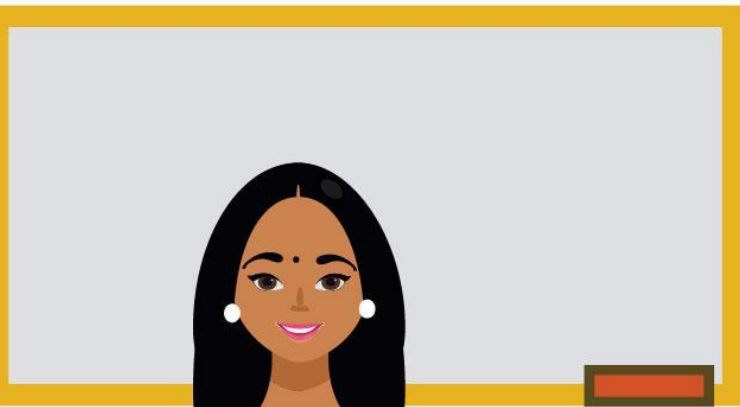
Session Schedule

3 hours



S.no	Topic	Duration
1.	Formal Introduction & Ice Breaker	30 minutes
2.	Magazine Article Exercise	30 minutes
3.	Storytelling Activity	90 minutes
4.	Conclusion	20 minutes

Get Ready For The Training With This Kit:



Materials

- 20-25 sketchpens & pens
- Projector, Whiteboard and markers
- A4 sheets (depending on class strength)

Module Learning Objectives:

After the orientation, participants will:



Learn to develop a vision for their respective kirana enterprises



Understand and do a comparative aspiration analysis to understand the gap between the current & future stage of the kirana



Know about the program and its benefits in detail






Gain knowledge about the mindset & skill set required to succeed as a kirana entrepreneur



Session 1: Introduction to the Programme-

The session will start as a continuation of the previous session. You will ask the participants the following question

-  ◆ How many of you need to improve your skills and knowledge to grow your business?
-  ◆ Are you dedicated to spending time?
-  ◆ If yes, will this training programme build your capacity to manage your business and help you to grow?



You will now brief the participants about the themes of the training that will be covered under the project. You will use examples and instances from the lived experience to explain the project and its benefits.

-  ◆ This training programme will help your business grow. Through the programme kirana entrepreneur's business skills and know-how will be strengthened so that they can grow their business and gain financial security.

-  ◆ After the presentation, you will ask the participants to list down what they would like to learn from the training to help them grow their business. Next, you will note down the inputs and will inform the participants that the programme will highlight the shared inputs.

Facilitator Notes:

Slide 27

APPROACH

-  Business and financial literacy
-  Blend of in-person trainings for targeted capacity building and circulation of video resources for awareness generation
-  Innovative training pedagogy using interactive app based training tools and animation videos
-  Formation of local platforms to promote peer learning amongst women entrepreneurs

Slide 28

EXPECTED OUTCOMES

-  Maintaining formal documentation of business and demonstrate revenue growth.
-  Increase in financial inclusion and access to credit from formal sources.
-  Increased awareness and adoption of digital payment services
-  A multi-stakeholder network actively promoting business growth and sustainability.

Slide 31

UPCOMING TRAININGS

-  Financial Literacy
-  Going Digital
-  Financial Management
-  Inventory Management
-  Business Promotion
-  Accessing Credit
-  Managing Credit

STEP

01

Visioning 

Of the three-part outline, we will be starting with the first step, envisioning the future of their enterprises through a visioning exercise

A. Introduction - Ice-breaker Activity:

You will introduce yourself as per the rules of the game and request the participants to introduce themselves one by one in the same way.

- ◆ Instruct the participants to go around the group and have each participant introduce themselves by their name and share one thing about themselves that they are really proud of.



- ◆ One person begins by saying,

**Facilitator Notes:****Slide 3**

After gathering the answers, you will summarise the story emphasising on the following points:

- The story describes the success of a woman entrepreneur, Roshni, who runs a kirana store.
- The story takes us through her journey from how she began running the shop and how she grew it to be successful and eventually got featured in a magazine.
- Along the journey, she had to undergo various changing scenarios at home in terms of decision making and division of labour.

Slide 4,5,6

B. Storytelling Activity:

When Roshni decided to refurbish her late husband's kirana store, she might not have known that soon she would have a turnover which would touch Rs 30 lakhs in just five years. At the age of 26 years Roshni had to look after her 3 kids and elderly in-laws. She took over the store in a diminishing state which lacked the amenities of an urban departmental store. The store had enough space, but the products were arranged haphazardly, with no stock, inventory maintenance, or modern billing system.

As it was a traditional store, the store had to face the hardships and difficulties generally faced by smaller shops in a changing economy. Roshni had to manage time and perform all the duties within the household and in the kirana. She was exhausted and did not know what to do? She had no solution to help change the fate of the kirana. Then she met Buddhimoney who provided her guidance and technical assistance. With Buddhimoney's help she decided to take up the challenge, modernise the store and grow her business.

Roshni participated in training programmes to learn the concepts of business development. Through training she got a deeper understanding of the grocery retail market and its issues and possible solutions. She learned about finance management, stock management, digital payments, sales and distribution networks etc. Within a year she started to try out her learnings in her kirana. She managed to get a loan from the bank where she was ready with the right documents to show which included her business plan.



Facilitator Notes:

Slide 7,8,9,10,11,12,13,14



She refurbished her kirana systematically, which included organising the products and inventory management. It was the first time that she implemented the theoretical knowledge and learnings of years to practically benefit the shop. The store has nice shelves, where the products are arranged category-wise and in a way, customers can easily spot them. The digital inventory system helps keep track of sold goods and depleting stocks. With many improvements, the customer footfall and consumer spending increased. The sudden change and improvement became popular through word-of-mouth in her locality. Even in her own house, every member of the household shares the chores of the house and everyone divides the work in business and at home.



You will narrate the following story with the right intonation

After the story has been narrated, ask the participants:



**What did you learn?
What caught your attention?**

What elements in the story could you relate with and why?

What makes her story and her kirana different from yours?



Facilitator Notes:

Slide 7,8,9,10,11,12,13,14



C. Visioning Exercise



- ◆ In this session you will help the participants to visualize what their kirana looks like and what they aspire it to look like.



- ◆ This will encourage the participants to put their aspirations on a paper, identify the challenges they face and brainstorm ways they can grow their business.

Step 1: Creating a vision

Of the three-part outline, we will be starting with the first step, envisioning the future of their enterprises through a visioning exercise



- ◆ Distribute a sheet of paper to every participant.

Instruct the participants to do the following:

- ◆ Close your eyes and visualise what your kirana looks like right now and what you want it to look like in a couple of years.



- ◆ Divide it into two parts.
- ◆ On the left, draw your own kirana and on the right, draw what you would want your kirana to look like.



Facilitator Notes:

C. Visioning Exercise:

Seating arrangement for the activity - *Roundtable*

Slide 16, 17, 18, 19



CREATE A VISION

What does your kirana look like now?



Where do you want your kirana to be in the next 5 years?







What is the status of

- Customer base
- Book-keeping (everywhere)
- Payment systems
- Variety in stock of products
- Purchasing goods from the wholesale market
- Division work at home and kirana



Ask the participants:

-  1. Does your kirana keep any books of records now? What about in the future?
-  2. What systems do you see in your aspirational kirana?
-  3. What is the variety of the products you keep in the store now and in your aspirational kirana?
-  4. How many customers come to your shop now and how many do you see in the future?
-  5. Who performs all the activities at the shop and home now? What is the situation when running your aspirational kirana. Is there any change?
-  6. Who goes to buy the supplies now and what about your aspirational kirana?

Using these points, you will discuss the drawings and the common points that the groups mentioned.

Then, you will direct the conversation where you ask them what is stopping them from achieving their aspirations. What are the challenges they are facing or they foresee themselves facing?

Step 2: Gap Assessment

The participants now have to look at the drawings that they have made and connect the two drawings by pointing out what are the challenges they are facing from reaching from point A (current status) to point B (aspirational kirana)

The challenges listed can be anything from lack of credit to book keeping practices to facing problems due to their gender. Also you need to help them think with the gender lens, which would be – will women and men have the same challenges to reach from point A to point B. If no, which ones would be different, why?

The participants will then present the highlights of their discussion

You will note down the gaps mentioned by the participants and club them into different heads such as Skills, Knowledge, Gender etc.



Facilitator Notes:

Seating arrangement for the activity - *Roundtable*

Slide 20



Step 3: Addressing the Gaps



You will now broach a conversation about how the gaps mentioned can be addressed



You will encourage the participants to come up with ways in which they think the gaps can be bridged.



While discussing this encourage the women to also look at the following point:

- Will women and men need the same kind of redressal of gaps/challenges? How would they be different? Why? (The challenges as women to also focus at the level of self, family and relationships within in, community and market as general.)



Using the responses, you will lead into discussing enhancing knowledge and the required skill set for growing one's business.

Every entrepreneur must have experienced being at a crossroads of taking business risks. From keeping new products to taking loans, expanding business, entrepreneurs have to take up varied risk-oriented experiences.

Risk taking ability is one of the important characteristics of an entrepreneur that sets her/him apart from others.

But to be able to exercise this ability, the entrepreneur needs to carefully identify risks in her business and plan for the same or else it may have negative consequences on the business. There can be three scenarios when the entrepreneur takes a risk.



Case 1:
Planned Risks -
Business
Growth



Case 2:
Risk Averse -
Stagnant
Business



Case 3:
Unplanned Risks -
Business Loss



Facilitator Notes:

C. Visioning Exercise:

Seating arrangement for the activity - *Roundtable*

Slide 21



WHAT PATH WILL YOU CHOOSE?



Through these training sessions, we will be addressing the points mentioned below in detail so as to help you equip the right skillset & mindset to grow your enterprise!

Step 4: Necessary skills required to run kiranas

a. Increase in customer base



◆ A vital part during the growth phase is increase in customer base. Entrepreneurs' communication skills and the ability to identify with the customers' needs and demands will help to attract customers.



◆ However, this will not happen in one day. It may take time depending on your approaches.



◆ Therefore, one of the milestones to indicate your enhancement in the skill sets would be growth of the customer base from the present level.

Do you have any idea about your customer's behaviour and their choices?



◆ You need to engage with the customer very closely.



◆ You may create a system for this and keep a track of their purchases.



◆ Remember, the customer is the King/Queen and their feedback will help you attract more customers.

b. Increase in turnover:

What is a turnover?



◆ It refers to the quantity of items sold. In terms of money the quantity of items sold is multiplied by the price at which the quantities were sold.



◆ It may be calculated monthly or yearly based on the need and size of the business.



Facilitator Notes:

Slide 22, 23





- ◆ Increase in turnover indicates growth. However, sometimes this happens due to inflation / increase in price of items / if increase in sales volume / increase in customer base. These factors lead to an increase in turnover which is a right indicator of a growing business.



c. Net increase in income



Net income for a business is calculated with the help of total revenue.



Subtract the business' expenses and operating costs to calculate the net income before tax.



In most cases, entrepreneurs are not familiar with this process and have been running a stagnant business for a period of time.

d. Business Growth

- ◆ Business management is all about running your business systematically
- ◆ It requires interpersonal, marketing, finance and accounts, & day-to-day management skills.
- ◆ These all together will build a strong business. Hence, you must enhance your skills as per the trend and market demand to be competitive in running your business.

Conclusion

- ◆ You will give out the training programme brochures/pamphlets that will contain the details of the training
- ◆ Clarify doubts (if any)
- ◆ Let participants share feedback



Facilitator Notes:

Note: To evaluate your training, fill the form; refer to the Annexure-II > Trainer self-evaluation form

After the session is over, distribute the feedback forms shared in the Annexure-II > Training Feedback Form

CHAPTER 2

FINANCIAL MANAGEMENT



Chapter 2

Financial Management

Session 1

Introduction

- Program Introduction
- Life Skills Activity

Session 2

Managing Finances

- Discussion-based Activity

Session 3

Introduction to Bookkeeping

- Definition of Bookkeeping
- Importance of Bookkeeping
- Different Types of Books
- Introduction to Daybook
- Introduction to Credit Register
- Introduction to Profit & Loss Statement
- Profit & Loss Statement Glossary
- Recall Activity & Conclusion



STEP 1

Visioning

Of the three-part outline, we will be starting with the first step, envisioning the future of their enterprises through a visioning exercise

STEP 2

Streamlining

Now that we have learned about the ways to streamline our existing processes, we will move on to the next step of the three-part outline, i.e., scaling kirana businesses by accessing credit facilities.

STEP 3

Scaling

Now that we have learned about the ways to streamline our existing processes, we will move on to the next step of the three-part outline, i.e., scaling kirana businesses by accessing credit facilities.

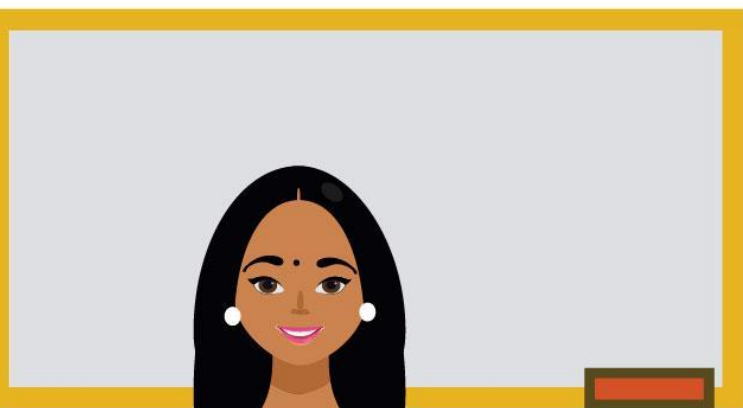
Session Schedule

5 hours



S.no	Topic	Duration
1.	Session 1: Introduction	60 mins
2.	Session 2: Managing Finances	90 mins
3.	Session 3: Introduction to Bookkeeping	120 mins
4.	Conclusion & Activity	40 mins

Preparatory Table:



Materials

- 2 dozens of newspapers
- 5 cello tapes & Sketchpens
- 1 medium-sized ball
- 1 brick
- Projector
- Whiteboard and markers
- 20-25 Daybook template printouts
- 20-25 Credit Register template printouts
- 20-25 Filled daybook printouts
- 20-25 Monthly P&L statement printouts

Financial Management Module Learning Objectives:



Introduction to the concepts of teamwork, collaboration, leadership & problem-solving



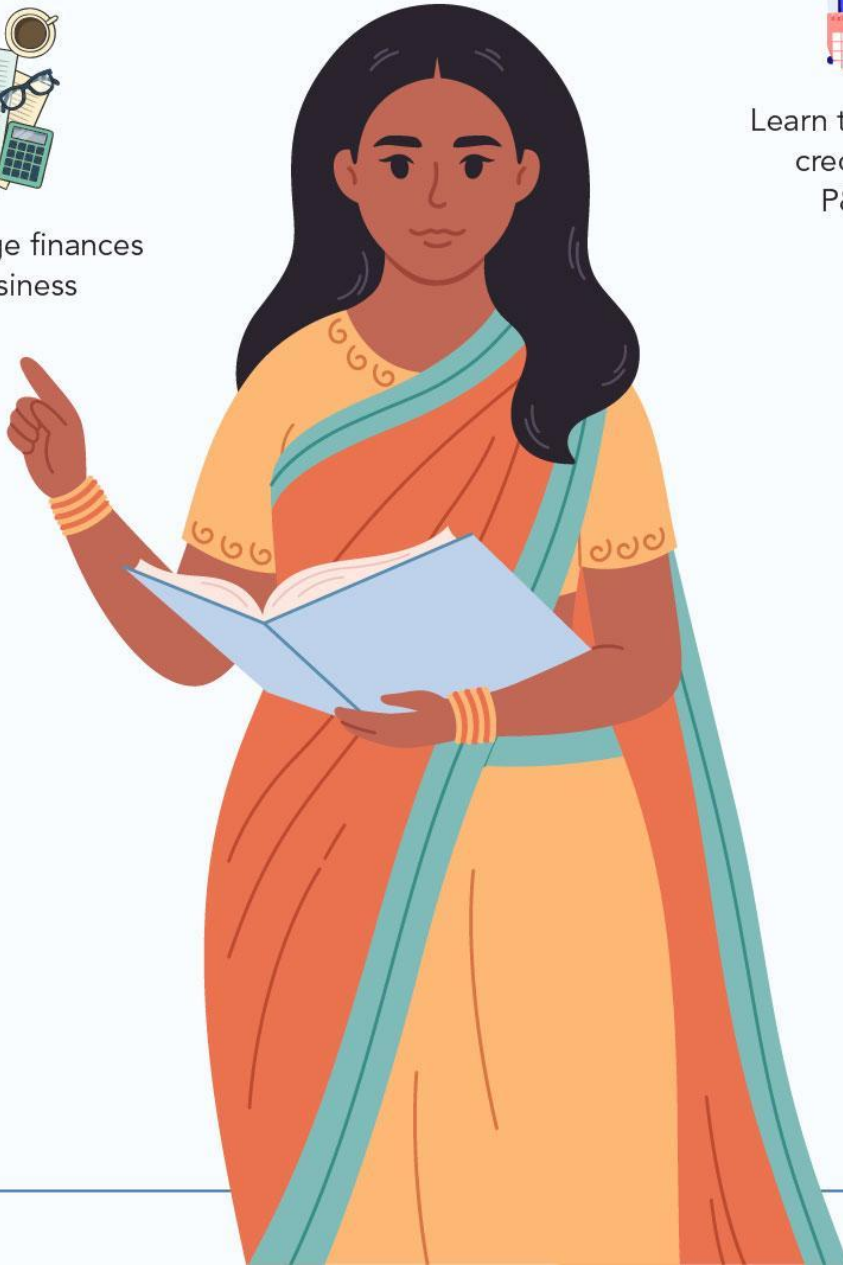
Learn about bookkeeping



Learn to manage finances for your business



Learn to use a day book, credit register and P&L statement



Review Questions: (15 minutes) (1 mark per question)

1. What is the meaning of customer base?

- a. A group of people who buy products from your kirana store
- b. A group of people from whom you buy your products
- c. None of the above
- d. Both option a and b

2. What do you understand by the word, 'monthly turnover'?

- a. Quantity of items sold
- b. Quantity of items sold on a monthly basis
- c. Quantity of items sold on a yearly basis
- d. Quantity of items sold on a weekly basis

3. What is the best way of growing your business?

- a. Unplanned risk
- b. Risk averse
- c. Planned risk

4. Unplanned risk leads to _____

- a. Business growth
- b. Business loss
- c. Stagnant Business
- d. Business recovery

5. Planned risk leads to _____

- a. Business recovery
- b. Business loss
- c. Stagnant Business
- d. Business growth

6. Risk averse leads to _____

- a. Stagnant Business
- b. Business recovery
- c. Business loss
- d. Business growth

Note: Options highlighted in green are correct answers



Facilitator Notes:

- Give them 10 minutes to solve the review questions
- After they have solved the questions, conduct a discussion with all the participants
- The participants will have to exchange their worksheets with their neighbours
- Their neighbours will then assess their marks
- When discussing any question, ensure that you nominate a (new) participant each time to elaborate the answer by providing examples (one each)

a. For eg: Q3 -

In order to take planned risk, they will make sure that they have their finances, human resources and inventory planned in advance. If they plan to boost their sales during Diwali, they will plan well in advance for the budget and human resource needed.

b. For eg: Q4

On the other hand, if they plan to boost my sales for Diwali, but have not planned in advance for finances, they might face loss if they go overboard with their stock

c. For eg: Q6 -

If they want to boost their sales but do not plan or are not motivated / scare to take any form of risk then their business will stay stagnant. An approach where they are afraid of managing their finances all by themselves, will pause the growth of their business will despite having the potential

Session 1: Introduction



You will do a formal introduction to the programme in this session

You will outline the objectives of today's programme

Life Skills Activity: Paper Bridge



Objective: To learn to work together as a team, be innovative and explore leadership qualities.

- ◆ Divide the batch into groups of 5-6 members each
- ◆ Each group is expected to make a bridge out of the limited newspapers and cello tape provided
- ◆ The bridge has to be big enough for a medium size ball to pass underneath, and strong enough to withstand a dry, red brick above it
- ◆ Give 10 minutes to plan & prepare for the activity and another 10 minutes to demonstrate the same



Facilitator Notes:

(Find the table in the **Annexure** → **Module 4: Financial Management** → **Life Skills Activity**)

Debrief of the activity:

- Before you conduct the debrief go through the shared images (below)
- Explain the concepts mentioned in the images in relevance to their kirana business by jotting down the learnings of the participants with respect to every quality mentioned in the table; to do, follow these steps:
 - a. Gather all the participants
 - b. Share the table on the projector
 - c. Allow each participant to ideate and come up with a learning that is relevant to their kirana business

For example: Teamwork >> More Creativity:

Through the above activity, I learned to take action despite being uncomfortable in the beginning. We as a team brainstormed and thought in multiple directions to build a tower.

Slide 3,4



After the activity,

Ask the participants:



- ◆ How did you plan for the activity?
Share your response in detail



- ◆ Who took up the role of the leader in the group?



- ◆ While doing this exercise, did you learn anything from the other groups? If yes, what were those learnings?



- ◆ What did you learn about teamwork?



- ◆ Lastly, what were your top 3 learnings from this exercise?



Facilitator Notes:



THE FIVE PRIMARY STEPS IN PROBLEM SOLVING



Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Session 2: Managing Finances

Discussion-based Activity:

Distribute A4 sheets among the participants (one each)

Part A: Ask the participants-

- ◆ For your kirana business, what do you need money for?
- ◆ Note down your answers in the next 10 minutes
- ◆ Make sure you do it on your own without any discussion
- ◆ Then, take the ball and pass it to someone whom you want to share their response.
- ◆ Everytime a participant has shared her response, she will pass the ball and nominate someone & urge them to mention new points
- ◆ As the participants share their response, make sure you note the main points on the white board.
- ◆ Close by opening up the floor to anyone who has new point not yet on the board

Note:

If the participants have mentioned personal reasons viz to pay school fees, to operate my in-laws etc. emphasise on the question.

The question is to jot down reasons why they will need money for their kirana business. For financial management of personal expenses, refer them to **Module 2 (Financial Literacy)**



Facilitator Notes:

Part - A: Reasons to need money

Possible answers would look like:

- To buy stock
- For emergency situations like the cooler stops working or the shop caught fire
- To add more shelves
- To hire a help
- To pay the bills



Facilitator Notes:

Part - B: After the list has been written on the white board.

Ask the participants:



- ◆ What are your sources of income to meet these expenses?



- ◆ How do you plan for these expenses?



- ◆ What are the challenges you might face in meeting these expenses?



- ◆ Divide the participants into smaller groups, and ask them to write down their thoughts on the same sheet based on the points they have listed on the board.



- ◆ Next, participants will then share their thoughts with the others via the same way of nominating

Ask the participants:



- ◆ How do you keep track of the cash in and out in your business?



- ◆ Do you handle the finances in your business?



- ◆ After they have written down their answers in the sheet, follow the same process as done in Step 1 & 2 to discuss their responses



- ◆ Then, play the Buddhimoney Video on Financial Management.

Part - B: Sources of income to meet kirana expenses

Possible answers would look like:

- Savings, Formal Loans, loans from moneylenders
- They do not plan, have just started planning, have not thought about it at all
- In case of emergencies or inventory upgrade: The sum amount would be a huge one and they might not have that much money
- In case of other expenses: They might not have planned them in advance

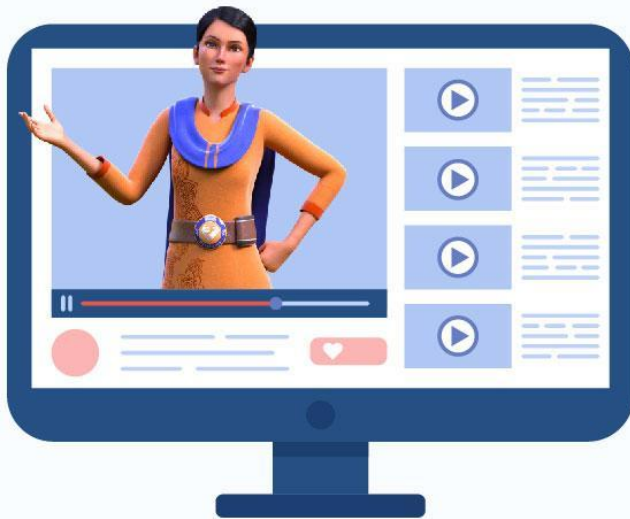
Debrief of the activity:

- Through this activity, you are making them aware of emergency situations and training them to keep a track record of their expenses to be mindful & better prepared
- You are also allowing them to form groups and brainstorm to look for possible situations
- At the end, you will summarise the activity by highlighting the next steps i.e., introducing the concept of bookkeeping so that they can plan their finances and expenses for their kirana business.
- To conclude, this activity was conducted for you to have a clear understanding of where your participants stand at the moment
- The next step is to build on their understanding and introduce the topic
- Tracks the performance of the business

Slide 6



After playing the video, ask them:



Explanation:

- ◆ Finances related to the kirana have to be handled by all the members of the family who spend time in the enterprise.
- ◆ If the woman handles the shop majority of the time, she has to equally have an idea about the amount of cash that is coming in and going out of the business.
- ◆ This way the entrepreneurs will know about their current financial status, plan for the future accordingly and grow the business steadily.

Facilitator Notes:

Possible answers would look like:

- They might be maintaining a diary or a notebook but it might not be consistent
- They might not be documenting at all
- There might be no systems & order in place
- They handover all the money earned from the kirana to their husbands / brothers / father-in-law

After you have gathered enough answers to all the questions before & after playing the video, you will reiterate some of the key messages in the film viz, keeping business and domestic accounts separate etc. Then you will explain the 'explanation' given in detail

Slide 7,8,9

WHAT DOES YOUR LIST OF EXPENSES LOOK LIKE?

My Business Expenses
Rent
Debt Payment
Purchasing supplies for my business
Electricity
Repairs to building or equipment
Travel and Freight
Wages
Taxes



Who handles the finances of your business?

How do you keep track of the cash in and out in your business?

जनरल स्टोर

Session 3: Introduction to Bookkeeping Definition:

- ◆ Bookkeeping is the process of recording your business' financial transactions into organised systems

Importance of bookkeeping:

- ◆ Clear knowledge about the shop's income and expenditure at any given point of time
- ◆ Clarity on the purchase and sales of goods that helps the entrepreneur make informed decisions about the business and plan for its growth
- ◆ Accounts for monthly expenditures such as rent, electricity, wages etc.
- ◆ Acquire understanding of the business' profit or loss.
- ◆ To keep a tab if any money was stolen or lost

Different types of books for entrepreneurs:



Day Book:
To capture end of day sales and purchase



Credit Register:
To track the amount of debt entrepreneur owes/is owed and to/by whom on a daily basis



Profit & Loss Statement: To know the business profit and loss status



Facilitator Notes:

Explain the explanation given in detail & follow through the activities mentioned

Note: Advanced and digital book-keeping systems are for those who already maintain records. However, for both experienced and those new in book-keeping, it is important to maintain a record of the basic points mentioned in this section

Slide 12, 13, 14

IMPORTANCE OF BOOK KEEPING

- To know about the shop's income and expenditure at any given point of time.
- To account for monthly expenditures such as rent, electricity, wages etc.
- To understand if the shop is making a profit or not.
- To track the performance of the shop.



TYPES OF BOOKS

- DAY BOOK:**
To capture "end of day" sales and purchase
- CREDIT REGISTER:**
To track the amount of debt entrepreneur owes /is owed and by whom
- PROFIT & LOSS STATEMENT:**
To know the business profit and loss status



DAY BOOK



1. Day Book



Facilitator Notes:

- ◆ Distribute a copy of the day book template to all the participants.
- ◆ You will also project the template on the screen.
- ◆ The format shown below contains the details of all the entries that need to be explained
- ◆ You will take the participants through each of the entries, explain in detail and clarify doubts (if any).
- ◆ Then, you will read out one transaction at a time, and wait for everyone to confirm that they have done their corresponding entry before moving to the next transaction narration
- ◆ Review the filled sheets and congratulate if all correct; correct if some mistakes

Slide 15, 17, 18



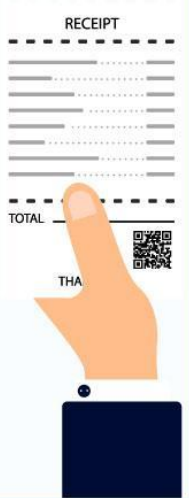
Date	Sales			Purchase			Miscellaneous Expenses
	Cash in hand	Cash in bank (ATM/Digital)	Credit sales	Cash received	Cash purchase	Credit Cash paid	
01/03/2021	1,500	500	300				700 travel
02/03/2021	1,300		400	200	1,500	400	400 electricity bill
Monthly Total							

- On 01/03/2021 Gita earned Rs 3000 (Rs 2000 cash in hand, Rs 500 in credit and Rs 500 in google pay)
- On 02/03/2021 Gita was paid back credit of Rs 300 and earned Rs 2500 as cash in hand. Gita used Rs 300 for her personal use
- On 03/03/2021 Gita had sale of Rs 1000 in credit. She also purchased goods worth Rs 500 on credit from the supplier
- On 03/03/2021 the rent for the month of March of Gita's kirana store Rs 5000 and the electricity bill is Rs 400 was paid
- On 04/03/2021 Gita earned Rs 3000 (Rs 1000 as cash in hand and Rs 2000 in google pay). She also purchased goods worth Rs 2000 in cash from supplier and returned Rs 500 she owed to the supplier from the previous month.

Fill the Day Book based on this information

<p>Date</p>	<ul style="list-style-type: none"> ◆ Enter the date of which you are entering data in the daybook
<p>Cash (in hand & in the bank)</p>	<ul style="list-style-type: none"> ◆ Note down the cash sales of each day in a separate sheet. ◆ Totalise the cash sales on a day-to-day basis (This will include both cash received in hand and otherwise)
<p>Credit sales</p>	<ul style="list-style-type: none"> ◆ Note down each credit sales made in the credit register ◆ Write total credit sales made in the day in this column
<p>Cash Received (Amount returned by debtors)</p>	<ul style="list-style-type: none"> ◆ Whenever there is a credit return, update it in the credit register. ◆ Enter the total amount returned by debtors in the day in this column
<p>Cash purchase</p>	<ul style="list-style-type: none"> ◆ Write down details of purchase of raw materials made in cash

Date	Sales			Purchases			Miscellaneous Expenses
	Cash in hand	Cash in bank (ATM/Digital)	Credit sales	Cash received	Cash purchase	Credit Cash paid	
01/03/2021	2,000	600	500				
02/03/2021	2,500			300	1,500	400	300-personal use
03/03/2021			1,000			500	5000-rent 400-electricity
04/03/2021	1,000	2,000			2000	500	
Monthly Total	5,500	2,600	1,500	300	2000	500	5700

	<p>Note that purchase of fixed assets should not be entered here. (It should be entered in the side table of daybook)</p>
<p>Credit purchase</p>	<p>Purchase of raw materials made in credit should be entered here.</p>
<p>Credit repaid</p> 	<p>Write down the amount repaid to creditors for credit purchase</p>
<p>Miscellaneous</p> 	<p>Write down the following here:</p> <ul style="list-style-type: none"> ◆ Expenses incurred for transportation of goods/products ◆ Travel for business purposes / other expenses ◆ Amount withdrawn by the owner for personal purposes ◆ In case the owner withdraws products/commodities from the business for personal use, the price of that commodity has to be recorded here. You may write what commodity was withdrawn in brackets. ◆ Any other expense incurred by the business

Exercise: Enter the following data in the above given daybook

Sample Scenarios:

- ◆ On 01/03/2022 Gita earned Rs 3000 (Rs 2000 cash in hand, Rs 600 in credit and Rs 500 in google pay)
- ◆ On 02/03/2022 Gita was paid back credit of Rs 300 and earned Rs 2500 as cash in hand. Gita used Rs 300 for her personal use
- ◆ On 03/03/2022 Gita had a sale of Rs 1000 in credit. She also purchased goods worth Rs 500 on credit from the supplier
- ◆ The rent for the month of March of Gita's kirana store is Rs 5000 and the electricity bill is Rs 400



Facilitator Notes:

Seating arrangement for the activity - Pair Pods

The daybook template is attached in the **Annexure (Module 4 → Financial Management → Day Book Activity)**





Debrief:

By maintaining a day book you learn to keep a track of your everyday transactions which includes both; cash-in as well as cash-out

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

2. Credit Register

- ◆ Distribute a copy of the credit register template to all the participants.
- ◆ You will also project the template on the screen.
- ◆ The format shown below contains the details of all the entries that need to be done.
- ◆ You will take the participants through each of the entries, explain in detail and clarify doubts (if any).

 <p>Date</p>	◆ Enter the date of which you are entering data in the credit register
 <p>Description</p>	◆ Write the details of the items being sold on credit
 <p>Value of the item sold/ purchased on credit</p>	◆ Note down the price of the item sold or purchased on credit
 <p>Amount Repaid</p>	◆ Whenever there is a credit return, update it here
 <p>Balance</p>	◆ Note the remaining amount that is owed

Exercise: Enter the following data in the above given credit register

Sample Scenarios:

Ramlal bought 1kg rice for Rs 40, 1 kg pulses for Rs 80 and 1 kg sugar for Rs 70 from Sima General Store on 05/03/2021 in credit. He then purchased 5kg Wheat for Rs 100 on 07/03/2021. On the same day he paid Rs 200 in cash to the entrepreneur.



Facilitator Notes:

Seating arrangement for the activity - Pair Pods

The daybook template is attached in the **Annexure (Module 4 → Financial Management → Credit Register Activity)**

Debrief:

By maintaining a credit register the entrepreneur learns to keep a track of the credits she owes to whom and owed to her on an everyday basis

Possible answers would look like:

Yes, it will help them document their transactions on a regular basis, which will then allow them to decide on the steps to grow their kirana

Advantages:

- Very useful documentation
- Will help them determine the growth of their kirana
- Will help them manage their kirana better
- Will allow them to plan their finances in advance
- Will help them be better planned for unforeseen situations
- Will make them financially stable & self-reliant
- Will help them manage their finances without too much stress

Limitations:

- Difficult to make it a habit
- Time-consuming
- Mistakes in terms of calculations
- Will require patience

Ask the participants:

- ◆ Do you think that filling the day book and credit register on a daily basis will help you with your business?
- ◆ What are the advantages and limitations you foresee while maintaining these books?
- ◆ After they have written down their answers in the sheet, follow the same process as done in Step 1 & 2 to discuss their responses
- ◆ You will summarise and note the points that will be shared by the participants & then add the points mentioned in the Facilitator notes section (if missed)



Facilitator Notes:

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CREDIT REGISTER

Name of debtor/supplier: Gita (debtor)				
Date	Description	Value of item sold/purchased on credit	Amount repaid (Rs)	Balance (Rs)
03/04/2021	Ration : Rice, Sugar (1 kg each)	84		84
19/04/2021	Soap, Shampoo, Biscuit, Salt, Oil	300	100	284

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Do you think that filling the day book and credit register on a daily basis will help you with your business?

What are the advantages and limitations you foresee while maintaining these books?

3. Monthly Book: Profit and Loss Statement (P&L)

The monthly formats will use the summary of the entries from the Day Book. This will help to create a monthly understanding of the profit being made by the business. The consolidation of the daily entries in the day book will help in calculating the status of the business during the month end.

So far, the participants have now filled the day book and the credit register. Therefore, they know about the status of their sales and purchases.

Ask the participants:

Do you know how much profit or loss your business is making?

How do you calculate profit and loss currently?

Next, you will consolidate the learnings and begin a conversation about having a monthly structure to analyse the profit of the business.



Definition:



Profit & Loss statement is a financial statement that provides a summary of a business's revenues, costs, and expenses incurred over a period of time.



The P&L statement shows a business's ability or inability to generate sales, manage expenses, and create profit by increasing revenue, reducing costs, or both.



Facilitator Notes:

Seating arrangement for the activity - Pair Pods

The daybook template is attached in the **Annexure (Module 4 → Financial Management → Monthly P&L Statement Activity Practise)**

Debrief:

By maintaining a Profit & Loss Statement the entrepreneur learns to keep a track of their sales, purchases on a monthly basis. This is the document that will help them understand if their business is in profit or loss.

Keeping a regular track record of the P&L Statement will help them be financially prepared for impromptu purchases and emergency scenarios

Possible answers would look like:

- No, Yes, but not too much in detail, I am not sure
- Currently, I do not have a specific system to do it / I do not calculate it / I do it sometimes in a notebook

Slide 29

PROFIT & LOSS STATEMENT

- P&L statement is a financial statement that provides a summary of a business's revenues, costs, expenses incurred over a period of time.
- The P&L statement shows a business's ability or inability to generate sales, manage expenses.

Slide 30

Monthly Profit & Loss Statement

Particulars	Entry in the P&L
Cash Sales	
Credit Sales	(Cash in hand + Cash in bank)
Total Revenue	Cash Sales + Credit Sales
Total cost of item/s sold	= opening stock + cash purchase + credit purchase - closing stock
Total Transportation cost	
Total amount paid for Room rent	
Total amount paid for Electricity	
Total amount paid to workers	
Total amount withdrawn by the owner(s) for personal use	
Other expenses incurred	
Total Cost	
Net Profit - To be calculated	Total Revenue - Total cost

Activity:

- ◆ Distribute a copy of the P&L template to all the participants.
- ◆ You will also project the template on the screen.
- ◆ The format shown below contains the details of all the entries that need to be done.
- ◆ You will take the participants through each of the entries, explain in detail and clarify doubts (if any).

P&L Statement Glossary:



Cost of goods sold:
 $\text{Cost of goods sold} = \text{opening stock} + \text{cash purchase} + \text{credit purchase} - \text{closing stock}$



Net profit =
 $\text{Revenue} - \text{Cost}$

Recall Activity:

- ◆ Distribute the filled daybook to the participants (one each)
- ◆ Ask them to individually fill the P&L statement from the day book
- ◆ Rectify the work

Filled Day Book for training

Sita's Kirana Store
 Opening Balance for January 2021: INR 2000

Conclusion

- ◆ During the activity, summarise the answers after the participant has shared their response
- ◆ Clarify doubts during the process
- ◆ Encourage participants to ask queries & feedback



Facilitator Notes:

Slide 31, 36, 37

- **Cost of goods sold:**
 $\text{Cost of goods sold} = \text{opening stock} + \text{cash purchase} + \text{credit purchase} - \text{closing stock}$

- **How to find closing stock?**
 A stock register has to be maintained in the shop where the purchase and sale of items are recorded. From this the value of closing stock can be calculated. In case the stock register is not maintained, the physical stock of the inventory has to be taken.



Net profit = Revenue - Cost

MAKE P&L STATEMENT FOR SITA'S KIRANA STORE



Monthly Profit & Loss Statement	
Particulars	Entry in the P&L
Cash Sales	29,366
Credit Sales	6,229
Total Revenue	35,595
Total cost of item/s sold	23,509
Total Transportation cost	400
Total amount paid for Room rent	2,000
Total amount paid for Electricity	400
Total amount paid to workers	1,000
Total amount withdrawn by the owner(s) for personal use	800
Other expenses incurred (Assets purchased)	2,000
Total Cost	30,109
Net Profit (35595 - 30109 = 5486)	5,486

The daybook template is attached in the **Annexure (Module 4 → Financial Management → Filled Daybook Activity Practise)**

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

After the session is over, distribute the feedback forms shared in the **Annexure-II > Training Feedback Form**

CHAPTER 3

INVENTORY MANAGEMENT



Chapter 3

Inventory Management

Session 1

Introduction

- Program Introduction
- Ice-breaker activity

Session 2

Introduction to Inventory Management

- Activity

Session 3

Importance of Inventory Management

- Case-study & discussion-based activity
- Definition of Inventory Management
- Benefits of Inventory Management importance of categorising inventory

Session 4

Types of Inventory Management Strategies

- FIFO: First-in, first-out
- JIT: Just-in-time
- Safety-Stock
- Discussion-based activity

Session 5

Ways To Manage Inventory

Session 6

Adoption of an Inventory Management System

- List of inventory management apps
- Steps to use MyBillBook App

Session 7

Supplier Relationship Management

- Ways to communicate with a supplier
- Benefits of supplier management system
- Recall Activity & Conclusion

Session Schedule: 6.5 hours



S.no	Topic	Duration
1.	Session 1: Introduction	15 mins
2.	Session 2: Introduction to Inventory Management	20 mins
3.	Session 3: Importance of Inventory Management	60 mins
4.	Session 4: Types of Inventory Management Strategies	90 mins
5.	Session 5: Ways to Manage Inventory	60 mins
6.	Session 6: Adoption of an Inventory Management System	90 mins
7.	Session 7: Supplier Relationship Management	20 mins
8.	Conclusion & Activity	30 mins

Get Ready For The Training With This Kit:

- 20-25 ribbons in different colors
- Projector
- Whiteboard, Markers
- 1 Football
- 1 ball of yarn
- 10-15 paper chits



Inventory Management Module Learning Objectives:

After the training, participants will:



Know the steps involved in working with suppliers professionally



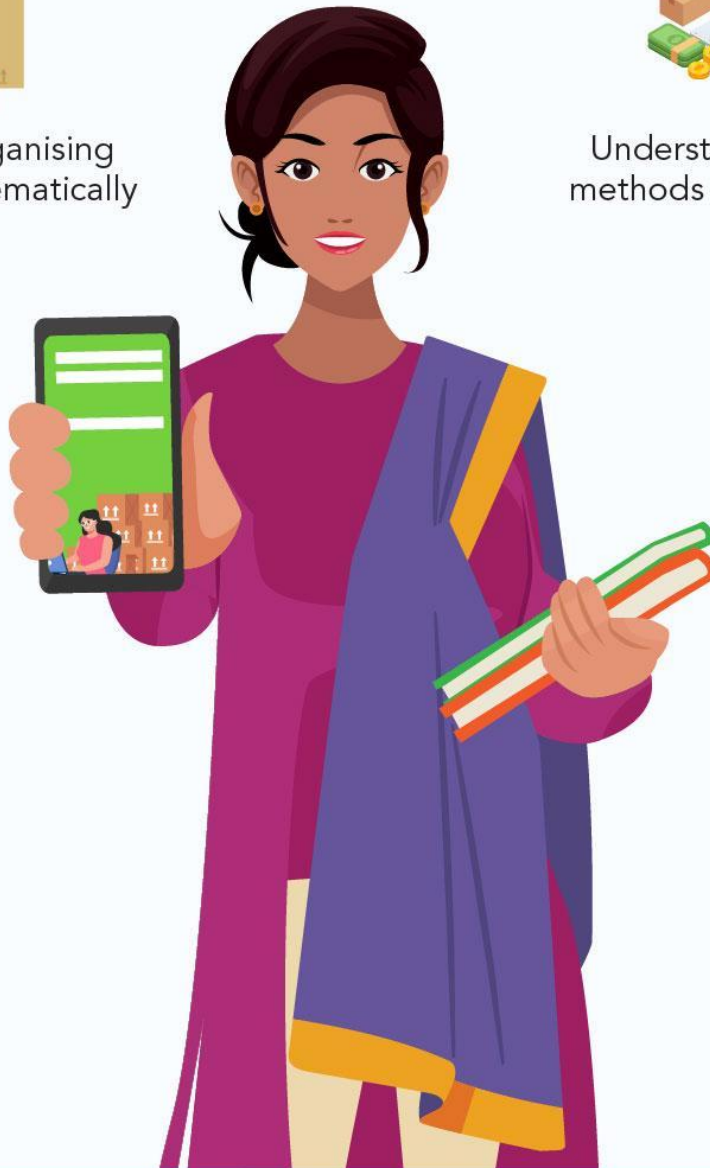
Know to plan in advance to manage stocks better



Learn about organising kirana stock systematically



Understand and use various methods of maintaining stocks



Review Questions: (15 minutes)
(1 mark per question)

1. _____ captures end of the day sales & purchases
2. _____ tracks the amount of debt owed by the kirana entrepreneur
3. _____ gives you details about the profit & loss of your business
4. _____ = Revenue - Cost
5. _____ is the process of recording your business' financial transactions into organised systems



Facilitator Notes:

- Give them 10 minutes to solve the review questions
- After they have solved the questions, conduct a discussion with all the participants
- The participants will have to exchange their worksheets with their neighbours
- Their neighbours will then assess their marks
- When discussing any question, ensure that you nominate a (new) participant each time to elaborate the answer by providing examples (one each)

Answer Key:

1. Daybook
2. Credit register
3. P&L Statement
4. Net profit
5. Bookkeeping

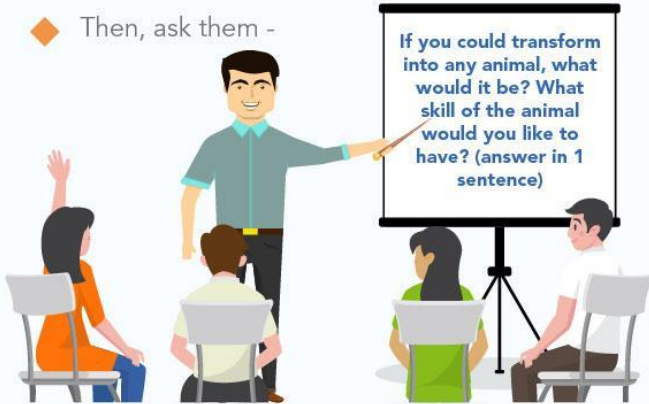
Session 1: Introduction

- ◆ You will outline the objectives of today's programme

Ice-breaker activity: Human Zoo (10 minutes)

You will introduce yourself and encourage participants to introduce themselves with the help of a fun ice-breaker as follows:

- ◆ You will ask the participants to close their eyes
- ◆ Then, ask them -



- ◆ Tell them to open their eyes once they are ready with their answers
- ◆ When every participant is ready, they share their response one by one



Facilitator Notes:

Debrief of the activity:

- Through this activity, we are urging participants to change their perspective (in general) by focusing on skill / utility of a product / person
- As entrepreneurs, it is important for them to look at the utility of a product or the skill of their team.
- Utility & quality of a product will ensure more sales
- Skill of a team member will ensure better business management and growth
- In business, the utility of a product and skillset of the team go a long way.
- As entrepreneurs it is important to filter your vision to these aspects
- Briefly explain the concept of Utility & Skill with reference to the pictures attached below



Utility

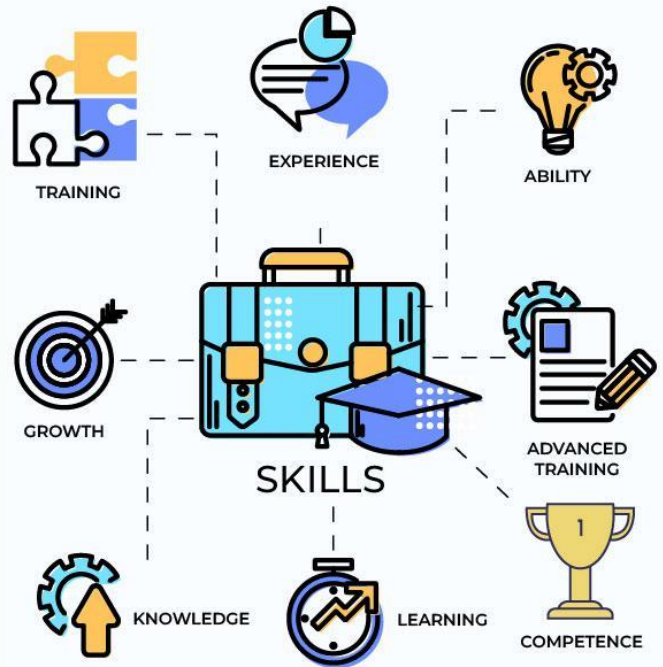
[yü-ti-lá-tē]

A term in economics that refers to the total satisfaction or benefit from consuming a good or service.

Urge that they do not say something like, "I would like to be a tiger because they are beautiful" (their 'why' has to be specific to a skill the animal possesses, for eg: 'because they are great at hunting etc')



Facilitator Notes:



With reference to the above given image, we understand that skill can be honed in various forms, namely:

- In generic terms, a skill refers to the ability to do something
- Learning and acquiring new skills leads to personal as well as professional growth
- When we undergo a training or learn in formal or informal settings, we acquire new skills
- We acquire skills when we gain experience in running a kirana business or otherwise, for eg: talking to customers tactfully is a skill, and so is stitching clothes.
- At times, we also hone a skill through competition, for eg: time management

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Session 2: Introduction to Inventory Management

Activity:

You will ask the participants the following questions:

Do you face these problems in your shop?

You are not able to track your stock

1

You have excess or inadequate stock

2

You don't know what & when to reorder

3

You have unnecessary stock

4

You have expired stock

5

You do not know what are the best selling items

6

You do not know what are the worst selling items

7

You do not know which items to stop selling completely

8

You do not know which items to consider for a discount

9

You often face spoilage and obsolescence of items

10

You lose customers as your products are out of stock or there is a long waiting time

11



Facilitator Notes:

Seating arrangement for the activity - Pair Pods

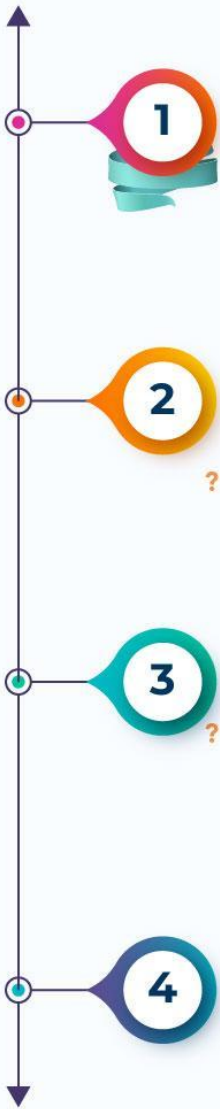
Through this activity, you will know about the number of participants who have faced the problems enlisted

Possible answers to Q2:

Affects the following aspects of the business:

- Growth
- Business documentation & records
- Profit tracking
- Chaotic decisions
- Monetary loss
- No clarity on the sales of the business
- Loss of customers

You will ask Q3 to get a better understanding of the current systems adopted by the entrepreneurs



1

For each of the problems faced by the participant, you will tie a ribbon around their wrists / ask them to pick a ribbon for each problem they have faced.

2

By the end of the activity, you will ask the following question to the participants with the most ribbons on their wrists

? How do these problems impact their business?

3

Later on, you will ask the following question to the participants with the least amount of ribbons on their wrists

? Share how she manages to not have these problems. What are the systems she has adopted in her kirana shop to address these problems?

4

You will then create a conversation around the current systems the entrepreneur maintains and begin a the topic - inventory management



Facilitator Notes:

Debrief of the activity:

Through these discussions, you get a better understanding of the current situation the entrepreneurs are in. You will introduce the topic in relevance to their scenarios and highlight the points mentioned in the image



Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Session 3: Importance Of Inventory Management

Discussion: Let us picture this: What happens when you don't manage inventory?

You will introduce yourself and encourage participants to introduce themselves with the help of a fun ice-breaker as follows:

Roshni is running a kirana store. She has items such as cold drinks, spices and chocolates in her shop which are about to expire and not in demand due to seasonal sales.

When a customer asked for a specific cold drink, she checked and refused as it was not kept in the refrigerator.

Later on she discovered that there is a carton full of cold drinks in her storage



Ask the participants:

What do you think will happen in this scenario?

- ◆ Lost Customers
- ◆ Missed Sales
- ◆ Tied Up Money



Facilitator Notes:

Follow the steps mentioned on the left

Slide 4,5,6

Do you face these problems in your shop?

- You are not able to track your stock.
- You have excess or inadequate stock.
- You don't know what to reorder and when.

Let's share our experiences!

- You aren't able to spot the best and worst selling items.
- You often face spoilage of items.
- You can't decide which items to stop selling and which items to sell off at a discount.
- You lose customers because you are out of stock or because of longer waiting time at your shop.

PICTURE THIS!

Roshni owns a kirana store. Some cold-drinks in her stock were about to expire. As it was winter, cold-drinks were not even in demand. When a customer asked for a cold-drink, she didn't find any in the refrigerator. Later she discovered a full carton of cold-drinks in her storage that was about to expire.

What do you understand from this scenario?

Here are the possible consequences (answers to the above points):

- If you have too much stock, then you are tying up cash.
- On the other hand, if you're understocked, it can lead to missed sales and a large number of unhappy customers.
- You are paying unnecessarily for resources like stock room space.



Inventory is central to any business. It plays an important part in any business's success. Roshni could have avoided this situation if she had an inventory management system.

Ask the participants:



Definition:

- ◆ Inventory is the quantity of products that is available for sale in your kirana to meet current and future demand.
- ◆ Inventory management is the process of organising and managing the stock that is available for sale.
- ◆ The right way of managing an inventory is the heart of a successful business.



Facilitator Notes:

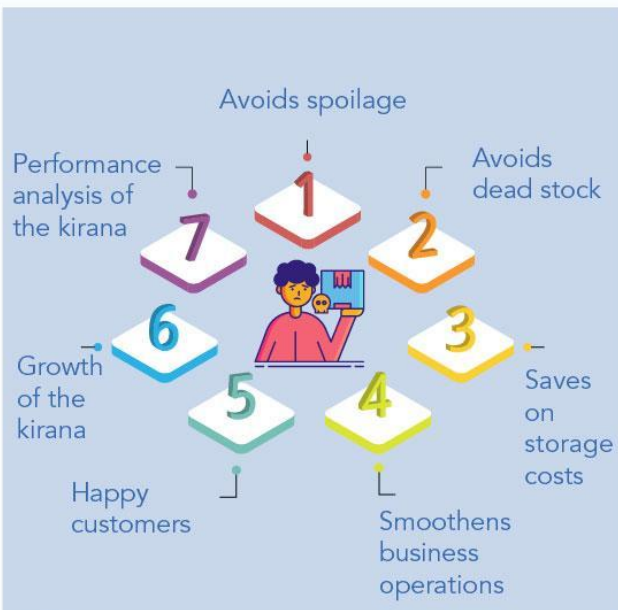
We are asking this question to quickly understand what is their idea of 'inventory management'

- As of now, you will not be checking whether their answers are right or wrong
- We will be finding answers to these questions as we discuss the concepts in detail

- ◆ It ensures that you have the right amount of products in the right place at the right time.
- ◆ Effective inventory management requires a proper balance of not having too much inventory (leading to overstocking) or too little inventory (causing stockouts).
- ◆ The goal of an inventory management system is to know where your inventory is at any given time and how much of it you have in order to manage inventory levels correctly.



The benefits of an effective Inventory Management System are as follows:



Facilitator Notes:

Slide 8, 9, 10, 11

What is Inventory Management?

Before we learn about Inventory Management, let's understand what is inventory!

Inventory is the goods that your kirana handles with the intention of selling to meet current and future demand.

Inventory Management

Inventory management is how you track and control your business' inventory as it's bought, stored and sold.

The system ensures that you always have the right quantities of the right items in the right location at the right time.

governs the entire flow of goods

From purchase → To sale

In other words..

Inventory Management helps you to:

- Track inventory
- Know when to order
- Know what & how much to order

Benefits of an Effective Inventory Management System

1 Run your business smoothly

supply = demand

excess

deficit

Efficiently managing inventory

If your kirana doesn't manage its inventory properly, it will quickly fall apart.

For instance,

Rashmi needs to match her supply to customer demand:

- If she purchases more than she can sell, she'll need to find somewhere to store the excess, which could end up cutting into her margin.
- On the other hand, if she runs out of any product, sales of that product will cease entirely until she restocks.



A. Avoids spoilage:

If you're selling products that come with an expiry date, like spices, tea, chocolates, cold drinks etc, there's a very high chance it will go stale if you don't sell it on time. Managing inventory effectively helps you avoid unnecessary spoilage.



B. Avoids dead stock:

Dead stocks are products that can not be sold as they have gone out of season. If not managed well, dead stocks can be costly to hoard.



C. Saves on storage costs:

When you store too much product at once or hoard products that are difficult to sell, your storage costs shoot up.



D. Runs your business smoothly:

When you store too much product at once or hoard products that are difficult to sell, your storage costs shoot up.

- Inventory management makes it easy to add new products and analyse performance of the kirana
- It also eliminates the inefficiencies that lead to lost stock, overstocking, and out of stock

All in all, If your kirana does not have an inventory management system in place, it will quickly fall apart.

For example: Roshni needed to match her supply to customer demand. If she purchases more than she can sell, she'll need to find somewhere to store the excess. which could end up cutting into her margin. On the other hand, if she runs out of any product, sales of that product will cease entirely until she restocks.



E. Keeps customers happy:

Always keep customer satisfaction in mind. Customers will be much more likely to come back for more if they know your kirana can consistently provide goods on time



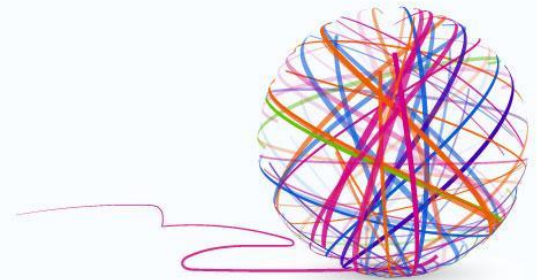
Facilitator Notes:

- Going forward, you will explain the concept in detail
- Before you start with the explanation, divide the class into pairs
- As you explain every point, ensure that every pair is nominated to share one case related to every point.

For eg: For the first point, 'Avoids spoilage' - They will first share an incident where they had excess spoilage. Then they will share the consequences of the situation. Lastly, share how they think proper inventory management will ensure lesser or no spoilage

Nomination Procedure:

- Have a ball of yarn
- To nominate one pair, you throw the ball of yarn to them, after they have answered, they will next pass the ball to the next pair while holding one edge of the yarn
- As this progresses, all the pairs will be knit closely; thus, signifying that all the factors fall well in place when a proper inventory management system is considered.
- This activity will also denote that all the points are inter-connected, thus, forming an effective inventory management system



Debrief of the activity:

These questions are to encourage them to practically approach the concept of inventory management, adopt it and learn from each other.

Inventory management impacts:



A. How quickly you can get your products to your customers



B. With proper inventory management in place, you will be able to serve your customers efficiently and on time. This denotes that your customers will find you reliable



C. Your goal is to avoid excess stock in your inventory. But obsessing over minimizing stock level steals your attention from the most crucial element of your business: customer satisfaction. If your inventory runs too low and customers can't buy, it'll lead to lost sales. Even worse, it'll lead to lost customers



◆ Grows your kirana: As businesses grow in complexity, their inventory management needs to get more organised as well. When Roshni adds new product lines, hires staff, and grows her customer base, the organisation of stock will get harder. That makes it important to gain control over your physical inventory from day one if you plan on scaling. So putting an effective stock system in place early is key.



◆ Analyses the performance of the kirana:
Make it easy to add new products & channels

Eliminate the inefficiencies that lead to lost stock, overstocking and out of stock



Facilitator Notes:

Slide 8, 9, 10, 11

2 Keep customers happy

- How quickly can you get your products to your customers?
- How reliable are you?

Customers will be much more likely to come back for more if they know your kirana can consistently provide goods on time.

3 Grow your kirana

- As businesses grow in complexity, their inventory management needs to get more organised as well.
- Roshni's kirana store is growing. Roshni adds new product lines, hires staff, and grows her customer base. When this happens the organisation of stock will get harder.
- It is important to get control over your physical inventory from day 1 if you plan on scaling. So putting an effective stock system in place early is key.

4 Analyse the performance of kirana

- Make it easy to add new products and channels and analyse performance of the kirana
- Eliminate the inefficiencies that lead to lost stock, overstocking, and out of stock.

Importance of categorising your inventory:

- All products do not hold equal value.
- If you spend equal inventory time on all products, you'll likely miss out on the ones that deserve your attention.
- By categorizing items in priority groups, you'll get more efficient inventory counts and assure that levels of your highest value items are maintained.
- Prioritizing your stock into groups helps you understand which products need to be ordered frequently and how slow they are sold
- This allows you to spend more time and resources on profitable products

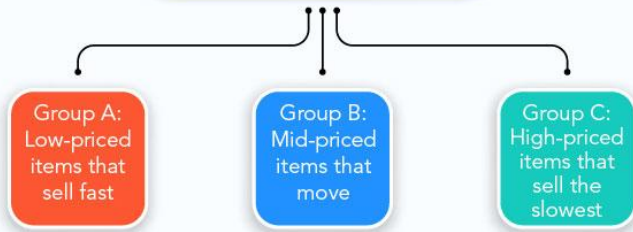


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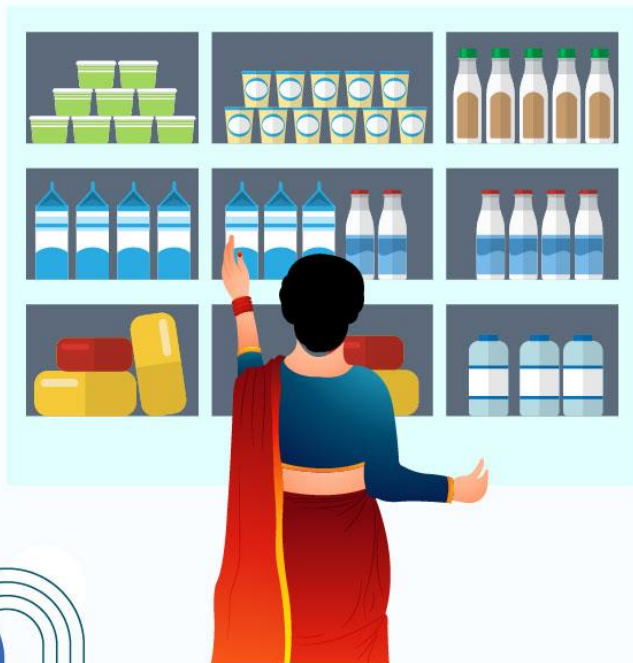
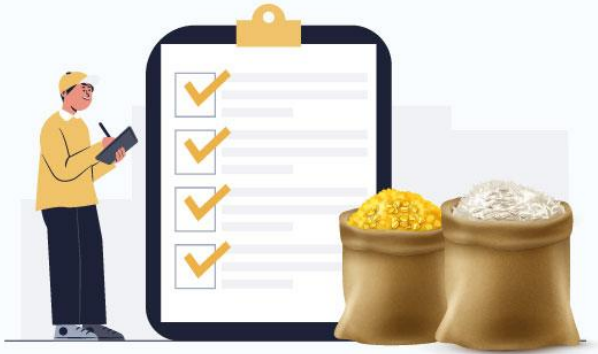
- Before you start with the 'Importance of categorising inventory' you will ask them to brainstorm (in pairs) and list at least 3 points that they can think of.
- This is only to encourage them to think before you share the points in detail

To maximize your business and improve efficiency, divide your inventory into several groups based on profitability.

Here it is as follows:



After segregating your inventory as mentioned above, you will then have better clarity of your stock which will in turn help you place discounts effectively and do sales more intentionally.



Facilitator Notes:

- Going forward, you will explain the concept in detail
- As you proceed with the explanation, ask for examples / case studies for each concept; FIFO, JIT, Safety Stock to every pair
- Correct them promptly (if required)

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Session 4: Types Of Inventory Management Strategies

FIFO - First in, first out JIT - Just in time

1. First in, first out (FIFO)

- ◆ First-in, first-out (FIFO) is an important strategy of inventory management.
- ◆ It means your oldest stock (first in) gets sold first (first out), not your newest stock.
- ◆ This is especially important for perishable products especially food items so you don't end up with unsellable spoilage.
- ◆ FIFO should also be practiced for non-perishable products.
- ◆ If the same stock is always sitting at the back, they're more likely to decay. Plus, packaging design often changes over time.
- ◆ To avoid ending up with something obsolete that you can't sell, FIFO is an effective strategy.

PROS	CONS
Saves money and time in calculating the exact cost of inventory.	Not ideal if the price of goods fluctuates.
Simple concept and easy to understand	
Widely used and accepted management method.	
Shows increase gross and net profits during times of the increasing price of goods.	
Can be used for all kinds of goods.	
Offset risk of high holding costs for storing dead stock.	



Facilitator Notes:

- Close the concept by nominating any 1 pair to explain FIFO with the help of this image to all the pairs
- The pair will explain by providing a situation they had faced and how they will use FIFO to solve it


FIFO checklist

FIFO stands for First-In First-Out


It ensures that food with the nearest best before or use-by dates are used or sold first.

How to use FIFO:


- 1




Locate products with the soonest best before or use-by dates.
- 2



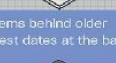
Remove items that are past these dates or are damaged.
- 3




Place items with the soonest dates at the front.
- 4



Stock new items behind older ones; put latest dates at the back.
- 5



Use/sell stock at the front first.



FIFO Tips:

- Check products for damage or deterioration.
- If a product isn't put out, make a note of why.
- Make sure goods are faced up.
- Don't overload refrigerators.
- Label decanted food with a best before or use-by date.

2. Just-in-time (JIT)

- ◆ JIT inventory management is for the risk takers
- ◆ With JIT, you keep your inventory levels at the lowest inventory levels to meet demand and replenish timely before a product goes out of stock.
- ◆ JIT requires accurate planning, daily stock-taking and forecasting
- ◆ It works very well for businesses with calculated stock replenishments
- ◆ JIT is one of the most efficient inventory management strategies for retailers, as it reduces storage needs and helps keep stock moving.

For example: With traditional inventory management, Roshni would pre-purchase all of its holiday inventory before knowing the demand for it. If it's a slower shopping season than anticipated, the business may not be able to sell everything, resulting in dead stock.

With a JIT system, Roshni would use past data to forecast demand and order a fraction of the inventory it anticipates needing. The business would then reorder inventory as it gets close to using it up. The success of JIT, therefore, relies heavily on effective inventory tracking systems that help monitor demand.



Facilitator Notes:

- Going forward, you will explain the concept in detail
- As you proceed with the explanation, ask for examples / case studies for each concept; FIFO, JIT, Safety Stock to every pair
- Correct them promptly if required
- Close the concept by nominating any 1 pair to explain JIT with the help of this image to all the pairs.
- The pair will explain by providing a situation they had faced and how they will use JIT to solve it



PROS	CONS
Lower inventory costs	Increased risk of stockouts
Improved cash flow	Vulnerability to supply chain breakdowns
Reduced risk of overstocking	Less price flexibility
Increased agility and efficiency	Dependant on accurate forecasting
Not recommended for time-sensitive or perishable goods.	



Facilitator Notes:

- Going forward, you will explain the concept in detail
- As you proceed with the explanation, ask for examples / case studies for each concept; FIFO, JIT, Safety Stock to every pair
- Correct them promptly if required
- Close the concept by nominating any 1 pair to explain Safety Stock with the help of this image to all the pairs.
- The pair has to explain by providing a situation they had faced and how they will use the concept of Safety Stock to solve it

Ways to implement a just-in-time inventory system:

◆ 1. Track sales data:

Maintain a thorough track record of past sales data. This will help you use the JIT strategy to its full potential



◆ 2. Find trusted vendors:

It is important to find vendors whom you trust so that they can deliver the stock as per your demand



Safety Stock:

- ◆ Safety stock is extra inventory retailers hold to prevent stockouts in case of an issue in the supply chain or an increase in demand
- ◆ Without safety stock, your customers may end up being disappointed because the item they want isn't available.
- ◆ With too much safety stock, however, you'll have a risk of spoilage, dead stock, and high storage costs.
- ◆ The goal is to hold just enough safety stock to avoid either of these two extremes.
- ◆ You can achieve this with accurate data and a proper inventory management system
- ◆ Safety stock, also known as buffer stock, is like an emergency fund.
- ◆ The biggest risk of not having a safety stock is having a stockout.



For example: During one period, customer demand exceeds 25 units. On another one, your supplier can't get the stock to you in the usual timeframe. This is where you can tap into an additional 50 units you hold in case of unpredictable situations like this one. Those 50 units are your safety stock.

Reasons to have a safety stock:

- To meet demand uncertainty
- Protection against supply issues
- Build customer loyalty



Facilitator Notes:

The Safety Stock Scenarios



When prices of the raw materials rise

When the supplier is not able to supply



When the demand exceeds expectations

Discussion- Ask the participants:

- ◆ Who handles inventory management in your kirana?

As you get the answers from the participants, do the following:

- ◆ Consolidate the number of kiranas where men handle the inventory management
- ◆ Consolidate the number of kiranas where women handle inventory management

Discussion- Ask the participants:

- ◆ Why don't you handle inventory management?
- ◆ As a woman, what are the challenges you face?



- After the participants have shared their experiences, you will ask the one who handles her own inventory management to share her experience.
- You will then use this opportunity to start a conversation about gender roles with respect to inventory management.
- Inventory Management is a learned skill and has very little to do with what gender you are.
- If an individual, be it a man or a woman is given the opportunity to learn and practice this skill they will master it in a period of time.
- In fact, there are many advantages of women handling or being an integral part of the handling inventory management process and their participation can also help in growing the business further.

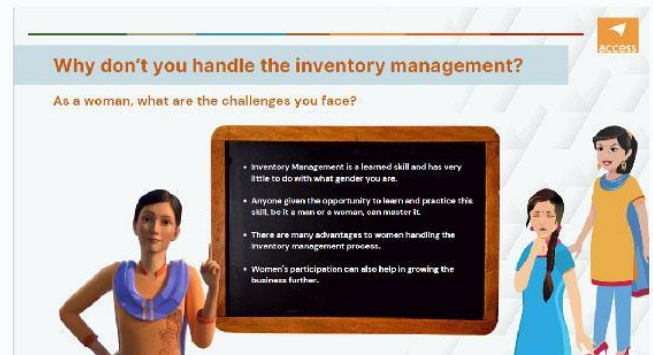


Facilitator Notes:

- Going forward, you will explain the prompts in detail
- Through the questions, you are not gauging whether they are right or wrong. Instead, you will encourage them to start managing their own inventory
- If the answer is stereotypical you can always go one step further and break the stereotype by explaining further.

For eg: - If they say, 'that is how it has been', you should remark, 'is it always right to let things happen because that is how they have been happening?'

Slide 15, 16



Discussion- Ask the participants:

- ◆ Can you list out some of the advantages of women handling inventory management

You will conclude the session with listing out some advantages:



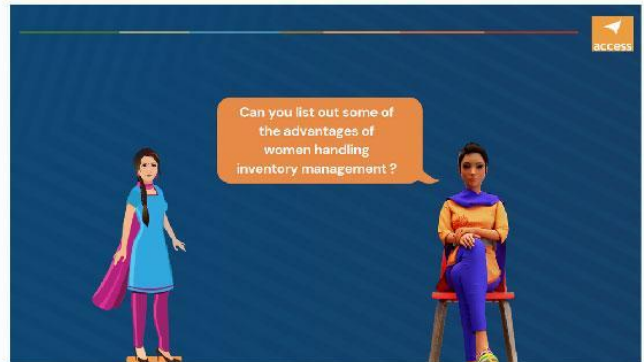
- Kiranas mostly sell household items.
- In most households, it is mainly the women who use these products on a daily basis and have an idea and opinion about what is good, its usability, diversity, prices etc.
- Just by being the user a woman has much more knowledge about various products.
- When it comes to managing customer preference, a woman's knowledge about the product helps in growing the business.
- A woman will be able to recommend products based on experience and also appeal to other women thereby increasing sales and profit of the business.
- Having women be a part of the inventory management process or solely handle the inventory makes good business sense!



Facilitator Notes:

Seating arrangement for the activity - Roundtable

Slide 17



You will first hear their responses to understand if they are aligned to the thought of managing their own inventory. After they have shared their responses, then you will share the list.

Slide 18



Note: To evaluate your training, fill the form; refer to the Annexure-II > Trainer self-evaluation form

Session 5: Ways To Manage Your Inventory

Now that we have an understanding about what exactly is inventory management and why it is important for your kirana. The next question is how can we manage inventory in your own kiranas.



Facilitator Notes:

➤ Going forward, you will explain the prompts in detail

Slide 19, 20, 21

How can you manage your inventory?

1. Organize products' and supplier information



- Listing all product specific information e.g. product name, quantity, brand, purchase price, selling price, expiration date, location of stock etc.
- Recording supplier details e.g. supplier / vendor name, contact details, wholesale cost, minimum order amount etc.



2. Set up stock

What is the difference between the two kiranas?



- Display all items in an organized manner or store them in a store-room on shelves or racks. Misplaced and over-looked products represent missed sales and lost revenue.

- Follow the First-in-First-out (FIFO) method: display older products in front to make sure that these are sold first, before they expire.

- Identify which items sell quickly, which have average sales and which have low sales.

- Keep the top-selling items in stock, and you'll have made a great start to keeping your customers happy. Items showing low sales can be considered for discounts.



- 01 Organise products and supplier information
- 02 Stock setup
- 03 Regular stock counting
- 04 Create a purchasing process
- 05 Build a stock receiving process
- 06 Establish a process for discounts & promotions
- 07 Determine a procedure to sell products & returns

1. Organize products and supplier information

◆ List down all product specific information as mentioned below:

- Product Name
- Quantity
- Brand
- Purchase Price
- Selling Price
- Expiration Date
- Location Of Stock

◆ Record supplier details as mentioned below:

- Supplier / Vendor Name
- Contact Details
- Wholesale Cost
- Minimum Order Amount



2. Stock setup:



Discussion- Ask the participants:

- ◆ What is the difference between the two kiranas?
- Use the pictures above to explain the following points
- Misplaced and overlooked products represent missed sales and lost revenue.
- Hence, it is necessary to put all products / items in an organized manner on display or in a store room using a shelf or a rack.
- Most kirana stores use the First-in, First-out (FIFO) method for selling products and display older products in front of the display to make sure that these goods are sold before they expire.
- It's highly unlikely that every item in your stock will have the same demand from customers. Therefore, keep the top-selling items in stock, and you'll make a great start at keeping your customers happy.
- On the other hand, the items that show low sales can be considered for discounts.

Facilitator Notes:

Seating arrangement for the activity - Roundtable

- First hear their responses
- After they have shared their responses, then you will share the list.
- In this exercise, you are not trying to assess if they are right or wrong.

Slide 22

3. Take periodic count of stock

- Periodic counting of inventory will ensure an accurate and up-to-date record adjusting for damage, defects and returns.
- It will help you understand which items are selling faster and which aren't and based on the information, plan when and how much of each item to reorder.
- Counting can be done at regular intervals say once in 1-2 weeks. But physical count may take a lot of time and resources.
- A digital inventory management system makes the counting precise, easier and quicker. If you have high sales or are planning to scale your business, you can consider adopting a digital system.



3. Regular stock counting

- Periodical counting of inventory will ensure an accurate and up-to-date record by accounting damage, defects and returns.
- It will also help to understand which of the goods sell faster, which don't and based on the information, the entrepreneur can plan when and how much items to reorder.
- Counting can be done physically but at regular intervals; say once in a week or once in two weeks. But physical counting may take a lot of time and resources. A suggestive register is mentioned in the section below, which will help you maintain your stock at regular intervals.
- A digital inventory management system makes the counting process easier and quick. For kirana with higher sales or kiranas that are planning to scale their business this system can be adopted.



Facilitator Notes:

Slide 23

4. Create a purchasing process



- Based on your current stock balance, list out items which are sold out or at reorder point.
- Using this list, place a purchase order with the supplier.
- If you adopt a digital system, you can place purchase orders efficiently by setting low-stock alerts and notifications for items based on their profitability and popularity.



ACCESS

4. Create a purchasing process

- Based on your current balance of stock, a list of out of stock items i.e., items that are sold out or at reorder point can be made.
- Using this list a purchase order can be placed to the vendor / supplier followed by paying a bill to the vendor. In the section below, a stock register is being discussed which will help you to calculate your balance of stock.
- If the kirana is adopting an electronic / digital system, purchase order can be placed efficiently by setting low-stock alerts, notifications for prioritized items based on its profitability and popularity

5. Build a stock receiving process

- It is important to check all received items against the purchase order to minimize losses w.r.to any supplier error or damage or theft.
- To receive inventory correctly, the entrepreneur should count and unpack all boxes and check the packing slip, invoice and items received against the original purchase order.



Facilitator Notes:

Slide 24

5. Build a stock receiving process

• It is important to check all received items against the purchase order to minimize losses due to errors by supplier, expired products, damage or theft.

• To receive inventory correctly, you should count and unpack all packages and check the packing slip, invoice and items received against the original purchase order.



6. Establish a process for discount and promotions

- If product sales fail to live up to expectations due to seasonal factors or any prevalent trend, entrepreneurs can offer markdowns and discounts in a strategic way to capture the market and generate cash.
- Using the earlier case: Roshni for instance had items such as cold drinks, spices and chocolates in her shop which were about to expire and were not in demand due to seasonal sales. She could have offered discounts to make better sales.
- Similarly, for promotions, the entrepreneur needs to be ensured to have enough stock on hand to meet the demand

7. Determine a procedure for selling products and for returns

- When a customer makes a return, if the item is damaged or defective it needs to be routed for repair or returned to the vendor.
- If the item is sellable, it needs to be added in the inventory count and put in a proper place for sale.
- The entrepreneur can also allocate dedicated space for damaged /returned products.

Keeping track of all that inventory can feel overwhelming. Therefore, you must adopt an efficient system to handle your inventory.



Facilitator Notes:

Slide 25

6. Establish a process for discount and promotions

• If product sales are low due to a seasonal factors or any prevalent trend, you can offer markdowns and discounts in a strategic way to capture market and generate cash.

• For instance, Roshni had cold-drinks in her shop which were about to expire and were not in demand due to seasonal sales. She could have offered discounts to make better sales.

• For promotions, you need to ensure that you have enough stock on hand to meet the demand.



Slide 26

7. Determine a procedure for returns

• When a customer makes a return, if the item is damaged or defective it needs to be routed for repair or return to vendor.

• If the item is sellable, it needs to be added in the inventory counts and put in a proper place for sale.

• The entrepreneur can also allocate dedicated space for damaged or returned product.



Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Session 6: Adoption Of An Inventory Management System

There are two ways in which you can adopt an Inventory Management System. Let's have a look:



1. Do It Manually

- For smaller kiranas, you can start managing your inventory manually. A simple purchase and stock register can be used to give the entrepreneur an idea about how much and what items they have in stock. Based on this the entrepreneur can make decisions about restocking, what sells better etc.

2. Purchase Register

- This register will help the entrepreneur to keep a detailed account of the items that were purchased from a supplier, the day of purchase, purchase quantity and price.
- The register can also be updated by the entrepreneur to list product specific information e.g. product name, quantity, brand, purchase price, selling price, expiration date, location of stock and supplier details or supplier specific information such as name, contact details, wholesale cost, minimum order amount etc.



Facilitator Notes:

Slide 27, 28



Do it manually

A. Purchase Register

- This register can help the entrepreneur to keep a detailed account of the items that were purchased from a supplier, on which day, in what quantity and price.
- The register can also be updated by the entrepreneur to list:
 - Product details – eg. product name, quantity, brand, purchase price, selling price, expiration date, location of stock etc.
 - Supplier details – eg. name, contact, wholesale cost, minimum order amount etc.

To view the template of the Purchase Register refer to the **Annexure (Module 5, Session 6 → Purchase Register)**

Slide 29

A. Purchase Register

Date	Name of the Supplier	Item/s Purchased	Quantity Purchased (A)	Purchasing Price of the Item (B)	Total Amount (A*B)	Sale Price of the Item
01/04/2021	ABC Supplier	Dove Soap	100	Rs 20	Rs 2000	Rs 23

3. Stock Register

- Stock taking can be done at regular intervals, say once in a week or once in two weeks using the stock register.
- Based on the balance of stock, the entrepreneur can understand which of the goods sell faster, which don't and can plan when and how much items to reorder.
- The register can also be updated to reflect an account of damaged, defected and returned goods.

◆ Ways to use the stock register:

- **Date:** This column will reflect the date when stock taking is happening. Can be done weekly, once in two weeks based on the convenience of the entrepreneur.
- **Item/s:** Name of the item will be mentioned
- **No of items Available in Stock:** This will reflect the quantity of item that was purchased and available in stock prior to the sale of the item. Quantity available in the opening stock for the item.
- **No of items sold:** Quantity of items that were sold in the given period.

Balance of Stock: Can be calculated from No of items Available in Stock - No of items sold.

4. Adopt a Digital Inventory Management Systems

- Managing your inventory on an ad-hoc basis will only ever get you so far.
- In the early days of your kirana you might be able to manage your inventory manually or through spreadsheets.
- But as your kirana grows, you cater to a large number of customers and to really keep on top of your stock, you'll need an inventory management system.

Every kirana will have its own unique needs, so picking a system that matches your business is important.



Facilitator Notes:

To view the template of the **Purchase Register** refer to the **Annexure (Module 5, Session 6 → Stock Register) Slide 30, 31, 32, 33**

Date	Item/s	No of Items Available in Stock (A)	No of Items sold Quantity (B)	Balance of Stock (A-B)
01/03/2021	Pepsi	100	25	75

To view the examples of some **inventory management apps** refer to the **Annexure (Module 5, Session 6 → Examples of Inventory Management Apps)**

Particulars	MyBillBook	Vyapar	Merg	Tally	Zoho
Technology Required	Smart phone / Computer	Smart phone	Computer	Computer	Smart phone / Computer
Cost	Rs. 799	Free	Rs. 6,100 + GST	Rs. 7,200 + GST	Free (Cond. Apply)
Other features	All are password protected				

Session 7: Supplier Relationship Management:

- ◆ Supplier relationship management is the way a retail store handles its relationships with wholesalers, manufacturers, and distributors.
- ◆ Part of successful inventory management is being able to adapt quickly.
- ◆ Whether you need to return a slow-selling item, or restock a fast selling item very quickly, it's crucial to have a strong relationship with your suppliers.
- ◆ That way, they'll be more willing to work with you to solve problems.
- ◆ With solid supplier relationships, minimum order quantities are often negotiable.
- ◆ Don't be afraid to ask for a lower minimum so you don't have to carry as much inventory.

Ways to Communicate with your Supplier:

- ◆ A good relationship isn't just about being friendly—it's about clear, proactive, assertive communication.
- ◆ You should let your supplier know when you're expecting an increase in sales or generating a lot of purchase orders so they can adjust delivery of stock.
- ◆ Ask them to notify you when a product is running behind schedule so you can look for a temporary substitute.



Facilitator Notes:

Going forward, you will explain the prompts in detail



Benefits of a supplier relationship management program

1. Reduced costs

- The less you spend on stock, the greater your profit margins.
- Building a strategic supplier relationship often also makes way for special discounts.

2. Segment suppliers

- Not all suppliers are created equal.
- Keep an eye for strategic suppliers, who have a greater impact on your retail business than others, for example:
 - Suppliers who supply your best-selling products
 - Suppliers who offer the highest quality, premium items
 - Suppliers who supply on time

3. Collaborate with suppliers

- Once you've identified strategic suppliers, prioritize your relationship-building so you can extract the most value from them.
- Work with your most important partners to stock up in a way that keeps both parties happy.

Strategies for better supplier management

- Set clear objectives
- Pay suppliers on time
- Use detailed contracts
- Establish consistent communication lines
- Continuously monitor risk



Facilitator Notes:

Note: Ensure that the answers you receive from the participants are exactly or close in meaning to the answers listed below

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Activity:

- You will choose any one of the online apps mentioned above
- Ask all the participants to download the same app
- Present a demo of the user interface (UI) to the participants

Recall Activity:

(Note: Form chits of the questions mentioned and stick them to different parts of the ball before the activity)

- Ask the participants to stand in the form of a circle
 - Team them in pairs
 - Now, throw the ball within the circle, whoever catches it will answer a question that is pasted on the ball
 - Based on the topics that were covered in today's session, you will ask the following questions to the participants:
- A. What do you understand about inventory?
 - B. Why is it important to manage your inventory?
 - C. How can you prevent your old stock from decaying?
 - D. What do you do if a product has been returned?
 - E. How can you maintain good relations with your supplier?
 - F. When would you give a discount on a product?
 - G. How often should you count your stock?
 - H. What are the 2 best ways of organising stock?
 - I. Why is it important to have a safety stock?
 - J. When would you use FIFO?
 - K. When will you use JIT?



Facilitator Notes:

Answers to the activity questions:

- A. Inventory is the quantity of products that is available for sale in your kirana to meet current and future demand
- B.
 - Avoids spoilage
 - Avoids dead stock
 - Saves on storage costs
 - Smoothens business operations
- C. Adopt the FIFO method
- D. When a customer makes a return, if the item is damaged or defective it needs to be routed for repair or returned to the vendor.
 - If the item is sellable, it needs to be added in the inventory count and put in a proper place for sale.
 - The entrepreneur can also allocate dedicated space for damaged /returned products.
- E. A good relationship isn't just about being friendly—it's about clear, proactive, assertive communication.
 - You should let your supplier know when you're expecting an increase in sales or generating a lot of purchase orders so they can adjust delivery of stock.
 - Ask them to notify you when a product is running behind schedule so you can look for a temporary substitute.
- F. If product sales fail to live up to expectations due to seasonal factors or any prevalent trend, entrepreneurs can offer markdowns and discounts in a strategic way to capture the market and generate cash.
 - Using the earlier case: Roshni for instance had items such as cold drinks, spices and chocolates in her shops which were about to expire and were not in demand due to seasonal sales. She could have offered discounts to make better sales.
 - Similarly, for promotions, the entrepreneur needs to be ensured to have enough stock on hand to meet the demand

Conclusion

- During the activity, summarize the answers after the participant has shared their response
- Clarify doubts during the process
- Encourage participants to ask queries & feedback
- The floor will then be open for further clarification of doubts/questions if any.



Facilitator Notes:

- G.** Daily, weekly, bi-weekly and / or monthly
- H.** FIFO - First in, first out
JIT - Just in time
- I.** To meet demand uncertainty
Protection against supply issues
- J.** This is especially important for perishable products especially food items so you don't end up with unsellable spoilage.
 - FIFO should also be practiced for non-perishable products.
 - If the same stock is always sitting at the back, they're more likely to decay. Plus, packaging design often changes over time.
 - To avoid ending up with something obsolete that you can't sell, FIFO is an effective strategy.
- F.** With JIT, you keep your inventory levels at the lowest inventory levels to meet demand and replenish timely before a product goes out of stock.
 - JIT requires accurate planning and forecasting
 - It works very well for businesses with calculated stock replenishments
 - JIT is one of the most efficient inventory management strategies for retailers, as it reduces storage needs and helps keep stock moving.

After the session is over, distribute the feedback forms shared in the Annexure-II > Training Feedback Form

CHAPTER 4

BUSINESS PROMOTION



Chapter 4

Business Promotion

Session 1

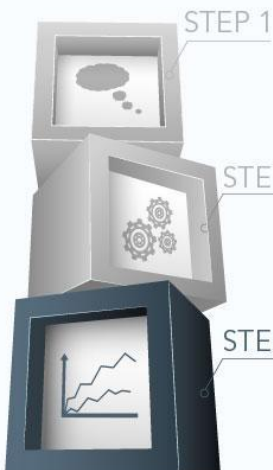
Introduction & Recap

- Formal Introduction
- Ice-breaker Activity
- Review Questions

Session 2

Strategies to Promote Your Business

- Group Discussion
- Know Your Customers
- Understand Customer Preference
- Positive Customer Experience
- Upselling & Cross-selling
- Strategies to Efficiently Cross-sell
- Product Placement
- Five Ways to Effectively Place Your Products
- Introduce Technology to Your Kiranas
- Review Activity
- Conclusion



STEP 1

Visioning

Of the three-part outline, we will be starting with the first step, envisioning the future of their enterprises through a visioning exercise

STEP 2

Streamlining

Now that we have learned about the ways to streamline our existing processes, we will move on to the next step of the three-part outline, i.e., scaling kirana businesses by accessing credit facilities.

STEP 3

Scaling

Now that we have learned about the ways to streamline our existing processes, we will move on to the next step of the three-part outline, i.e., scaling kirana businesses by accessing credit facilities.

Session Schedule: 4.5 hours



S.no	Topic	Duration
1.	Session 1: Introduction & Recap	40 mins
2.	Session 2: Introduction to Financial Planning	180 mins
3.	Conclusion & Activity	40 mins

Preparatory Table:

Materials

- 20-25 sketchpens & pens
- 2 Buzzers
- Projector, Whiteboard and markers
- 20-25 Review question worksheets
- A4 sheets (depending on class strength)



Business Promotion Module Learning Objectives:

After the orientation, participants will:



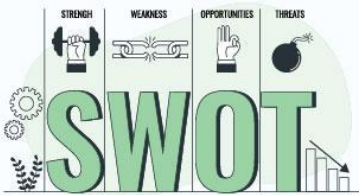
Be aware of interactive techniques to know their customers better



Learn how to upsell & cross-sell to boost sales



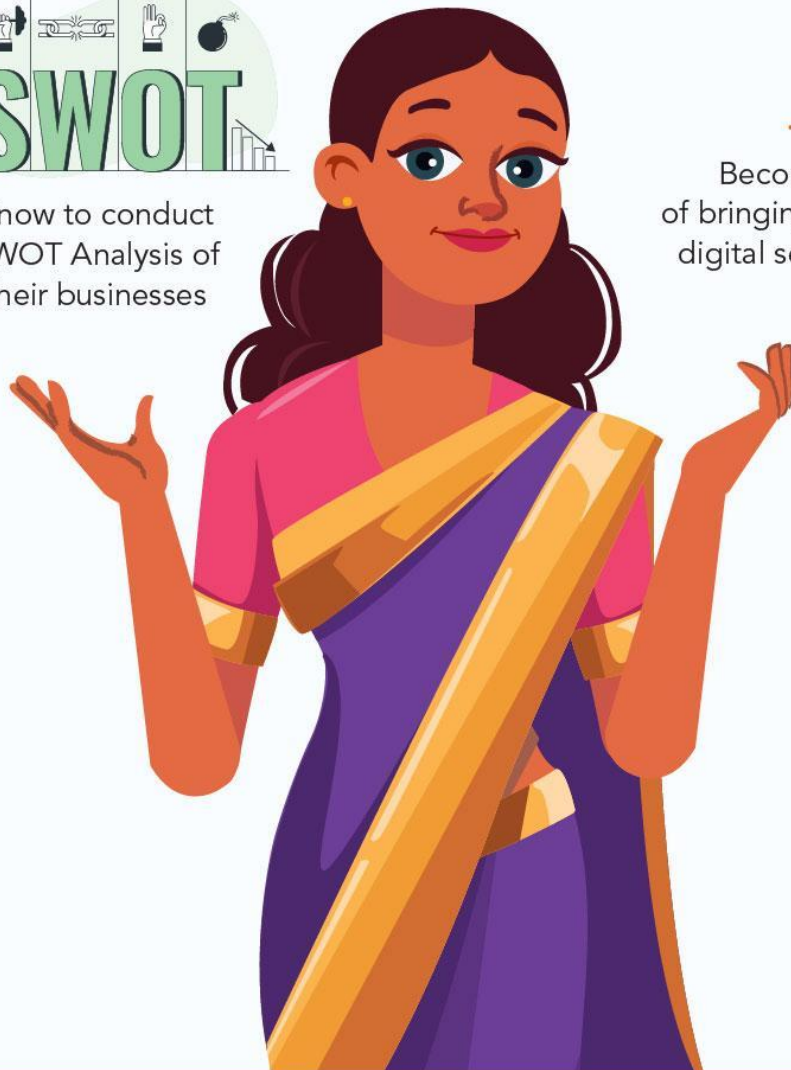
Understand the different ways to place their products to increase revenue



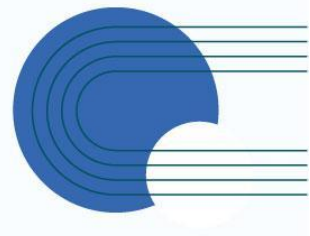
Know to conduct SWOT Analysis of their businesses



Become aware of the benefits of bringing innovation and integrating digital services to grow their kiranas



Introduction



The key component of this module is to make the kirana entrepreneurs aware of the existing effective strategies to increase their revenue. This module will enable the entrepreneurs to independently analyze their kirana businesses with the help of a hands-on SWOT Analysis through which they can plan and prioritise steps to increase profit in the near future



Session 1: Introduction - Ice-breaker activity: (40 minutes)

SWOT Analysis



- Distribute the A4 sheets to every participant
- Ask them to draw the SWOT quadrants as shown in the given picture
- Allot them 20 minutes to fill
- In the S quadrant they will have to write the answer to the prompt -
 - a. What is our competitive advantage?
 - b. What resources do we have?
 - c. What products are performing well?
- In the W quadrant they will have to write the answer to the prompt -
 - a. Where can we improve?
 - b. What products are underperforming?
 - c. Where are we lacking resources?
- In the O quadrant they will have to write the answer to the prompt -
 - a. What new technology can we use?
 - b. Can we expand our operations?
 - c. What new segments can we test?
- In the T quadrant they will have to write the answer to the prompt -
 - a. What regulations are changing?
 - b. What are competitors doing?
 - c. How are consumer trends changing?
- After everyone has completed the activity, compile a list of common points covered under the participants' SWOT and conduct a group discussion
- Then, explain the concept of SWOT Analysis. It is a strategic planning technique that helps assess ourselves as well as our businesses. Identifying core strengths, weaknesses, opportunities, and threats leads to fact-based analysis, fresh perspectives, and new ideas. A SWOT analysis can be applied to almost every business question.



Facilitator Notes:

Seating arrangement for the activity - Roundtable

SWOT Analysis Quadrant Image



Debrief of the activity:

Through SWOT Analysis, participants will be able to identify areas where their kirana business is profitable, prioritise upgrading and work towards increasing their revenue.

Conclusion:

As entrepreneurs it is important for them to know the SWOT of their business to help achieve higher financial goals.

Recap

Next, you will distribute the review question worksheet which has to be solved by the participants

Review Questions: (15 minutes) (1 mark per question)

1. _____ is the quantity of products that is available for sale in your kirana to meet current and future demand.
2. There are two major types of inventory management systems relevant to kirana enterprises, they are _____, _____
3. _____ is extra inventory retailers hold to prevent stockouts in case of an issue in the supply chain or an increase in demand
4. List the reasons why safety stock is needed
5. List any 4 ways to manage inventory effectively



Facilitator Notes:

- Give them 10 minutes to solve the review questions
- After they have solved the questions, conduct a discussion with all the participants
- The participants will have to exchange their worksheets with their neighbours
- Their neighbours will then assess their marks
- When discussing any question, ensure that you nominate a (new) participant each time to elaborate the answer by providing examples (one each)

Answer Key

1. Inventory
2. FIFO, JIT
3. Safety stock
4. To meet demand uncertainty
Protection against supply issues
Build customer loyalty
5. Organise products and supplier information
Stock setup
Regular stock counting
Create a purchasing process
Build a stock receiving process
Establish a process for discounts & promotions
Determine a procedure to sell products & returns

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Session 2: Strategies to promote your business

Discussion:

Let us have a look at the scenario:
Other than your kirana, there are two other kirana stores in your locality. All three of the shops sell similar products.

- ◆ You will ask the participants,



**How do you ensure that the customer shops from your kirana?
In this situation how do you strategize to increase sales, promote your business and earn more profits?**

- ◆ Encourage them to share their experiences
- ◆ Then, consolidate their experiences and begin a dialogue about strategies a kirana can adopt to promote their business

Kirana provides a variety of products and caters to a range of customers with varied needs. In most localities kirana stores are present in every street, thus increasing the competition among other kirana stores.

In order to increase sales and earn more profits, the entrepreneur must have a plan which will give them a competitive edge.

Let us have a look at some strategies that can be adopted by the kiranas to promote their business.



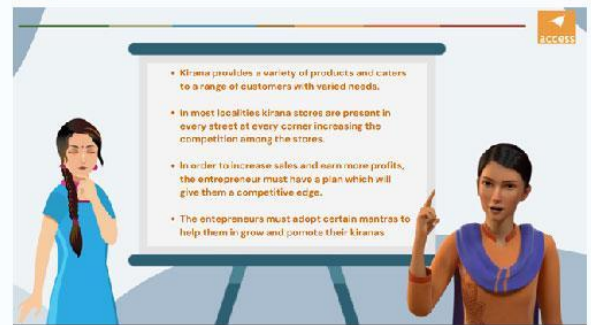
- Know your customer
- Understand customer preference
- Improve customer service
- Upsell & cross-sell a product
- Product placement
- Introducing technology

Facilitator Notes:

Seating arrangement for this entire session - *Pair Pods*

- These questions are only to gauge the understanding level of your participants
- As of now, you will not be checking whether their answers are right or wrong
- Next, you will deliver the theoretical points shared in a discussion-based approach. To do so, ask questions based on the prompts given.

Slide 4, 5, 6



Note: To evaluate your training, fill the form; refer to the Annexure-II > Trainer self-evaluation

A. Know your Customers Discussion:



Imagine if you walk into a store to buy a packet of biscuits. The store owner is very rude and does not pay attention to you. How would you feel? Would you go to

- Urge the participants to respond thoughtfully to both the parts of the question

Customer engagement is key to higher sales. Building strong relationships with your customers ensures that they do not go to your competitors. Follow the following steps to know your customers better:

- Talk to your customers nicely and respectfully no matter if they are younger or older
- Do not keep them waiting
- Give them a unique experience so that they prefer to come to your shop everytime they want to buy
- A 1:1 conversation coming directly from the owner of the shop impacts more significantly than any marketing.
- Keep the customer's best interest in mind, offer the best or most suitable product at most competitive prices.
- In addition to this, you can also offer discounts on various products, as it is the best way to attract customers.
- In fact, it will also lead to the customers buying more products from you and you can increase your Kirana store business profit.



Facilitator Notes:

You will deliver the theoretical points shared in a discussion-based approach. To do so, ask questions based on the prompts given.

Slide 7

Know your customers

Engaging with customers

Imagine if you walk into a store to buy a packet of biscuits. The store owner is very rude and does not pay attention to you. How would you feel? Would you go to the store again?

Customer engagement is the key to higher sales.

Talk to your customers nicely and respectfully no matter if they are a kid or elder. Do not keep them waiting and give them a unique experience so that they prefer to come to your shop.

A one-to-one conversation coming directly from the owner of the shop impacts more significantly than any marketing.

Keep the customer's best interest in mind, offer the best or most suitable product at most competitive prices.

Offer discounts on various products, as it is the best way to attract customers.

As you deliver the given points on the left, urge them to share examples of scenarios where they can apply these strategies.

Encourage everyone to participate

B. Understand Customer Preference

- Understand the preferences of the customers. For instance, the shampoo the customers often purchase or the soap they prefer
- If the customer is unaware of the brands, the kirana entrepreneur should suggest a product based on their prior purchases
- When the owner is interested in the customer's choices and preferences, the customer happens to rely on him/her even more
- Forming good professional bonds with the customer will increase their chances of visiting their store more often

Here are a list of additional services, which when provided will go a long way in building a customer base and increasing sales:

- ◆ Taking orders over call/SMS/Whatsapp
- ◆ Delivering products to the customer's address
- ◆ Allowing the customers to return products if they find them defective
- ◆ Always checking on customers for feedback on services and new/suggested products
- ◆ Sending festivals' greetings over SMS/Whatsapp and also sharing discounts on festival-related products
- ◆ Passing on discounts received from wholesalers to the customers
- ◆ Placements of colourful banners and distributing flyers to communicate discounts on specific products
- ◆ Keeping the shop open at a time or day when other shops are closed. For instance, opening the shop at 8 AM whereas other shops open at 9.30 AM. Closing the shop later than your competitors and/or keeping the shop open on Sundays & some public holidays
- ◆ A happy customer is likely to refer the shop to their family or friends which will help in increasing the customer base.

Facilitator Notes:

Slide 8, 9



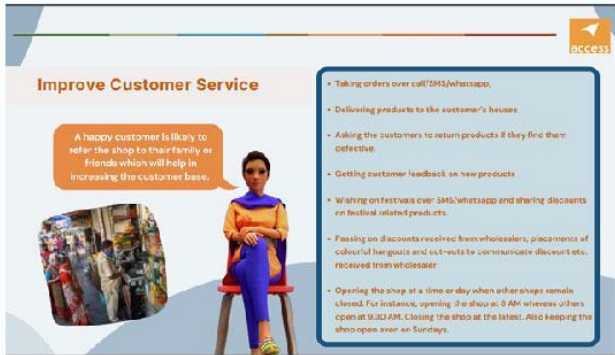
Understand Customer preference

Kirana owners must understand the preferences of their customers. For instance, the brand of shampoos they often purchase or the kind of soap they prefer.

If the customer is unaware of the brands, based on their prior purchases suggesting a product that the customer will prefer.

When the kirana owner is interested in the customer's choices and preferences, the customer happens to rely on her even more.

Due to these there is greater chance that they will come again and again to your shop.



Improve Customer Service

A happy customer is likely to refer the shop to their family or friends which will help in increasing the customer base.

- Taking orders over call/SMS/whatsapp.
- Delivering products to the customer's houses.
- Asking the customers to return products if they find them defective.
- Getting customer feedback on new products.
- Working on festivals over SMS/whatsapp and sharing discounts on festival related products.
- Passing on discounts received from wholesalers, placements of colourful banners and extracts to communicate discounts received from wholesaler.
- Opening the shop at a time or day when other shops remain closed. For instance, opening the shop at 8 AM whereas other shops open at 9.30 AM. Closing the shop at the latest. Also keeping the shop open even on Sundays.

C. Positive Customer Experience

Discussion:

Imagine you walked into a kirana store with the intent of purchasing ingredients for a recipe. As you stand in front of the kirana, you begin to notice that the store is not clean. It is full of spills. There seems to be a rotten odor throughout the kirana, and many of the products are covered in dust.



You will ask the participants,

- Will you purchase the ingredients for your recipe from the store?

This store's appearance directly affects the customer's overall experience. Their experience dictates whether or not they should make a purchase. A negative shopping experience does not translate into a sale of the store.

Therefore, it is imperative to keep your store neat, tidy and beautiful to accelerate sales.



Facilitator Notes:

Slide 10,11

Positive Customer Experience



Imagine you walked into a kirana store with the intent of purchasing ingredients for a recipe. As you stand in front of the kirana, you begin to notice that the store is not clean. It is full of spills, there seems to be a rotten odor throughout the kirana, and many of products are covered in dust.

Will you purchase the ingredients for your recipe from the store?



"The store's appearance and overall experience really doesn't say, 'Purchase our fresh and delicious produce and food items'."

Instead, it says, "Never come to this kirana. Clearly, the product is bad!"

- The appearance of your store directly affects the customer's overall experience.
- Their experience dictates whether or not they make a purchase.
- A negative shopping experience does not translate into a sale for your store.
- Keep your store neat, tidy and beautiful, and watch as the sales continue to climb.

D. Upsell & Cross-sell a product

Discussion:

Imagine: You are about to close a sale, and the buyer has made up their mind to buy a product.



You will ask the participants,

- What will you do?
- Will you make the final bill and send them on their way?
- Or will you try to find opportunities to increase their basket size and grow your sales as well?



Two ways to do this is to upsell or cross-sell a product.

Upselling refers to offering a pricier version with even a higher quality of the item. Think of it as asking the customer if they want to upgrade their purchase.

Cross-selling, on the other hand, refers to recommending a product relevant to some product that's already in their basket. For eg: recommending a conditioner to a shampoo that the customer is buying.

If the entrepreneur uses these strategies in the right time, it will enable them to increase their sales.

The kirana entrepreneur needs to ask themselves three questions before they attempt cross-selling or up-selling. They are as follows:



Facilitator Notes:

Slide 12

Upsell & Cross-sell a product

Imagine this scenario:

You are about to close a sale, and the shopper has made up their mind to buy a product. What do you do?

- Do you make the final bill and send them on their way?
- Or
- Do you try to find opportunities to increase their basket size and your sales as well?

These questions are only to gauge the understanding level of your participants. As you deliver the given points on the left, urge them to share examples of scenarios where they can apply these strategies. Encourage everyone to participate

I. Does the product complement the item that the customer is buying?

Upselling and cross-selling will only work when they are relevant to the original purchase. When you're upselling or cross-selling an item, see to it that it's

- a better version of what they're buying or
- a product that goes with their purchase

II. Will this product really benefit them?

- Sometimes, an add-on item may complement another product, but it won't benefit the customer. For eg: while a certain type of moisturizer may go with the facewash the customer just bought, it wouldn't be a good cross-sell if they don't have a need for it
- Getting to know the customer before selling them more merchandise. Ask how they're going to use the product based on that suggest items that would benefit them

III. Are they open to spending more?

If the customer has made it clear that they're on a budget or they're only after one product, then respect their decision and don't try to sell them anything else

If the answer is "Yes" to all three questions, then you can proceed to suggest upgrades or additional products. This way you will be able to close more sales.



Upsell



Crosssell



Facilitator Notes:

As you deliver the given points on the left, urge them to share examples of scenarios where they can apply these strategies.

Encourage everyone to participate

Slide 13, 14

We can use two strategies to increase their basket size and your sales

- Upsell means offering a pricier version even a higher quality of the item. Think of it as asking the shopper if they want to upgrade their purchase.
- Cross-selling, on the other hand, means recommending a product relevant to the one that's already in their basket. An example would be recommending a conditioner to a shampoo that the shopper is buying.

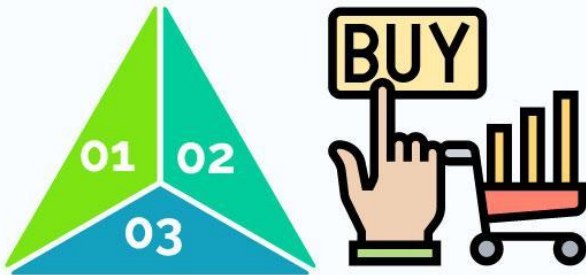
If the entrepreneur uses these strategies at the right time, it will enable to increase their sale

Ask yourself these three questions before you attempt to cross-sell or up-sell

- Does the product complement the item that the customer is buying?
Upsells and cross-sells only work when they're relevant to the original purchase. When you're upselling or cross-selling an item, see to it that it's
a) a better version of what they're buying or
b) a product that goes with their purchase.
- Are they open to spending more?
If the customer has made it clear that they're on a budget or they're only after one product, then respect their wishes and don't try to sell them anything else.
- Will this product really benefit them?
Sometimes, an add-on item may complement another product, but it won't benefit the customer. For example, while a certain type of moisturizer may go with the face wash your customer just bought, it wouldn't be a good cross-sell if they don't have a need for it.
Get to know the customer before selling them more merchandise. Ask how they're going to use the product, then if you have items that would benefit them, go ahead bring them up.

Here are some proven pointers entrepreneurs can incorporate into their strategy:

- Make customers see/visualise the value or benefit that they're getting.
Inform the customers about the positive feedback and popularity of the product among the other customers
- Follow the "Rule of 3": The entrepreneur must try to apply the "Rule of 3" which refers to giving the buyer 3 options for their purchase. For instance, for any product the buyer wants, show them the one they requested for, then show an alternative followed by the dream (ideal product). The Alternative is something that still relates to the requested [item] but maybe at a more mid-price point. However, the dream is one that the customer might love, but that may be at a higher price point.



- Be reasonable: If a customer buys a 500 rupees' shampoo, it makes sense to suggest a 100 rupees' conditioner; but if a customer buys a 100 rupees' conditioner, don't try to sell them a 500 rupees' shampoo. The suggested item shouldn't exceed more than a certain percentage of the cost of the original item. Even while upselling, read the room to understand what the buyer is looking for and how much they're willing to spend
- Additionally, you can also provide rewards or incentives to added purchases to retain the buyer for their future shopping

Facilitator Notes:

As you deliver the given points on the left, urge them to share examples of scenarios where they can apply these strategies.

Encourage everyone to participate

Slide 15, 16, 17, 18

If the answer is "Yes" to all three questions, then you can proceed to suggest upgrades or additional products



1. Make customers see/visualise the value or benefit that they're getting. Follow the "Rule of 3"

Giving the shopper 3 options for their purchase.

- Show them the one they requested
- Show an alternative - something that still relates to the requested item but maybe at a more mid-price point.
- Show the dream - something that the customer might love, but that may have a higher price point

2. Be reasonable: The suggested item shouldn't exceed more than a certain percentage of the cost of the original item.

If a customer buys a 500 rupees' shampoo, it makes sense to suggest a 100 rupees' conditioner, but if a customer buys a 100 rupees' conditioner, don't try to sell them a 500 rupees' shampoo.

3. Added Incentives: You can provide rewards or incentives to added purchases.

There's more to upsells and cross-sells than just pitching add-on products. To successfully close sales, you need to get in the minds of shoppers. Figure out their needs and motivations, and then craft your approach accordingly!



Product Placement

Entrepreneurs can arrange a store in a strategic manner to maximise profit. There are ways in which product can be placed which helps in increasing sales.



Front of store

Keeping quickly sold items in the front of the store makes the needs of the customer accessible, ensuring quick purchases!



E. Product Placement

Entrepreneurs can arrange their stores in a strategic manner to maximise profit. There are ways in which products can be placed in a way that will help increase sales.

- **Front of the store:** There are two ways to display products at the front of any store. One is where fresh fruits, vegetables and the other quick items like sandwiches, chips, and chocolates are displayed. The quick items are there to encourage spontaneous quick purchases. Thus, keeping quickly sold items in the front of the store makes the needs of the customer accessible.
- **Eye level shopping:** Eye level placement of products is a great method to increase sales too. A product will sell significantly more if it is kept on the eye level of the target buyer. So products aimed at children, like chocolates are kept slightly lower so that the child can see them. A higher value product is often placed on the middle shelf so that people are more likely to see it and buy it. This section can also be used for products that are new in the market. Those looking for value range products will usually find them down at knee level
- **Side by side:** Some products are placed next to others deliberately. You'll often find chips and soft drinks very close because the purchase of one leads to an increase in sales of the other
- **Flooring and shelves:** Premium products have subtly different surroundings than everyday products. Expensive and exotic ingredients are often on differently colour display units than everyday ingredients. The place and way in which a product is placed in the store encourages buyers to feel they are making a special purchase
- **Impulse buys at the counter:** Kiranas can place products that buyers will find most appealing at the counter. It could be dependent on the weather or price of the item or certain promotional products. For instance, on bright sunny days, it'll be ice creams, refreshing drinks or sunglasses.



Facilitator Notes:

As you deliver the given points on the left, urge them to share examples of scenarios where they can apply these strategies.

Encourage everyone to participate

Slide 19, 20, 21, 22

Eye level shopping

- Eye level placement of products is a great method to increase sales. A product will sell significantly more if it is on the eye level of the target buyer.
- So products aimed at children, like chocolates are kept slightly lower so the child can see them.
- A higher value product is often placed on the middle shelf so that people are more likely to see it and buy it. This section can also be used for products that are new in the market.
- Those looking for value range products will usually find them down at knee level.

Side by side

- Some products are placed next to others deliberately.
- You'll often find chips and soft drinks very close because the purchase of one leads to an increase in sales of the other.

Flooring and shelves

- Premium products have subtly different surroundings than every day products.
- Expensive and exotic ingredients are often on differently colour display units than everyday ingredients.

The place and way in which a product is placed in the store encourage shoppers to feel they are making a special purchase

Impulse buys at the counter

- Kiranas can place products that shoppers will find most appealing at the counter, it could be dependent on the weather or price of the item or promoting certain products.
- For instance, placing cheaper fast selling products that do not require the customer to weigh in prices or on rainy days you'll find umbrellas, on bright sunny days, it'll be ice creams, refreshing drinks or sunglasses.
- And as the customer stands in the counter to pay the bill there are usually an array of sweets, magazines, and easy to handle promotional products and literature to grab your attention

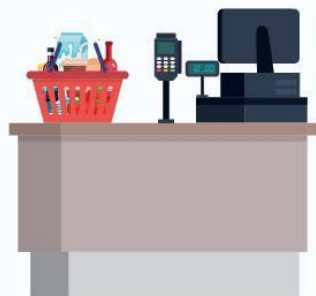
- Introducing innovative concepts such as “Har Din sale” where products closer to expiry date are sold at discounted rates.
- Display of samples of some products can be placed at the front of the store or a convenient place to grab the attention of the customers.
- The entrepreneur can also coordinate with suppliers or brands to organise sale festivals. To do so, the entrepreneur needs to build relationships with suppliers and wholesalers to get better deals on products.
- Diversification of the kirana with more variety of products: Diversifying can be a very impactful method that will help increase the footfall of customers. For eg: entrepreneurs can introduce a dry fruits section in the kirana. Before adding any extra product category to the list, s/he can also carry out a small survey with their customers. Through such an activity, the entrepreneur will be engaging with his/her customers and convey to them that the entrepreneur values their opinion. With diversification of products, entrepreneurs can also venture into making investments for growth. For eg: entrepreneurs can buy a fridge and stock products like aerated drinks, ice creams etc.

F. Introducing Technology

To facilitate the entrepreneur's vision to grow, technology is the way to go. It is not very costly to implement technology. One can get higher results even at low investment. Some examples are listed below:

Having a Point of Sale machine can give you multiple benefits viz

- Improved store management
- Better inventory management
- Streamline taxation
- Enable compliance on the go
- Enable digital payments
- Better utilization of data analytics for business growth
- Take orders through call/SMS/whatsapp



Facilitator Notes:

Slide 23, 24, 25

Introducing innovative concepts

- “Har Din sale” where products closer to expiry date are sold at discount.
- Samples of products can be placed at the front of the store or a convenient place that will grab the attention of the customers.
- The entrepreneur can also coordinate with suppliers or brands to organise sale festivals. For this, entrepreneur needs to build relationships with suppliers and wholesalers to get better deals on products.

Diversification of the kirana with more variety of products

- Diversifying can be very impactful method will help you increase the footfall of your customers.
- Before adding any extra product category to your list, you can also carry out a small survey with your customers.
- With such activity, you are engaging your customer and suggesting them that you value their opinion.
- With diversification of products, entrepreneurs can also venture into making investments for growth. For instance, entrepreneur can buy a fridge and stock products like aerated drinks, ice creams etc.

Introducing Technology

- Having a Point of Sale machine can give you multiple benefits like Improved store management, better inventory management, GST Compliance on the go, better utilization of data analytics for business growth.
- Taking orders through call/SMS/whatsapp
- Enabling digital payments

As a kirana shop owner, you have a vision to grow, then technology is the way to go. It is not very costly to implement technology. You can get higher results even at low investment.

Note: To evaluate your training, fill the form; refer to the Annexure-II > Trainer self-evaluation form

Recall Activity:

- Divide the participants into two groups
- Give each team 1 buzzer
- Read out the following questions out loud
- Maintain a leaderboard on the board
- The teams will have to answer the questions you say out loud
- The team that presses the buzzer first gets to answer, if their answer is correct, they get 3 points, if not, then they get -1 and the other team will get a chance to answer
- Therefore, the teams should only press the buzzer if they are sure about the answer

The following are the questions to be asked:

- What are the 6 strategies through which you can promote your business?
- Share 3 ways through which you can know your customers much better?
- Name 4 benefits that you can get by introducing technology to your kirana
- What are the 4 ways of placing your products rightly?
- What is the difference between cross-selling & upselling? Give 1 examples each
- What does the rule of 3 tell us?



Facilitator Notes:

The following are the answers to the questions asked:

1.
 - Know your customer
 - Understand customer preference
 - Improve customer service
 - Upsell & cross-sell a product
 - Product placement
 - Introducing technology
2. - A 1:1 conversation coming directly from the owner of the shop impacts more significantly than any marketing.
 - Keep the customer's best interest in mind, offer the best or most suitable product at most competitive prices.
 - In addition to this, you can also offer discounts on various products, as it is the best way to attract customers.
3. - Improved store management
 - Better inventory management
 - Streamline taxation
 - Enable compliance on the go
 - Better utilization of data analytics for business growth
 - Take orders through call/SMS/whatsapp
 - Enable digital payments
4. Front of the store, Eye level shopping, Side by side, Flooring and shelves, Impulse buys at the counter
5. **Upselling** refers to offering a pricier version with even a higher quality of the item. Think of it as asking the customer if they want to upgrade their purchase. For eg: Say the customer had gone to buy Sunsilk shampoo (a less expensive product), but ended up buying Dove shampoo (a more expensive product) based on your recommendation.
Cross-selling, on the other hand, refers to recommending a product relevant to some product that's already in their basket. For eg: recommending a conditioner to a shampoo that the customer is buying.
6. The "Rule of 3": The entrepreneur must try to apply the "Rule of 3" which refers to giving the buyer 3 options for their purchase. For instance, for any product the buyer wants, show them the one they requested for, then show an alternative followed by the dream (ideal product). The Alternative is something that still relates to the requested [item] but maybe at a more mid-price point. However, the dream is one that the customer might love, but that may be at a higher price point.

Conclusion:

- During the activity, summarize the answers after the participants have shared their response
- Clarify doubts during the process
- Let participants share feedback

If you recall the preliminary orientation, the figure given below was shown to discuss business growth. In this module, we have learnt how an entrepreneur can increase their customer base while increasing their turnover and net profit to accelerate business growth.

Slide 27

Things to remember

Let's remember together

Business mantras will help you

- Increase your customer base
- Increase sales and earn more profits
- Give you a competitive edge
- Grow your business

Facilitator Notes:

So far you have learnt

Let's list your learnings

How to promote your business

- Know your customers
- Upsell & Cross-Sell
- Product Placement
- Diversifying your kirana
- Introducing Technology

After the session is over, distribute the feedback forms shared in the Annexure > Training Feedback Form

Note: To evaluate your training, fill the form; refer to the Annexure-II > Trainer self-evaluation form

CHAPTER 5

ACCESSING CREDIT



Chapter 5

Accessing Credit : Formal Financial Institutions Types of financial products

Session 1

Introduction

- Program Introduction
- Ice-breaker Activity
- Review Questions

Session 2

Managing Finances

- Group Discussion
- Why & When to Borrow
- Terms Associated with Credit
- Forms of Credit Available
- Ways to maintain basic loan hygiene
- Knowing the Liabilities associated with Loans and Repayment
- Forms of Credit Available for Businesses
- Advantages of Availing Formal Credit
- Benefits of Credit Products

Session 3

Introduction to Bookkeeping

- Approaching financial institutions
- Know Your Customer (KYC)
- KYC Discussion
- Informal to Formal
- Government Schemes and Other Sources of Credit
- Recall Activity
- Conclusion

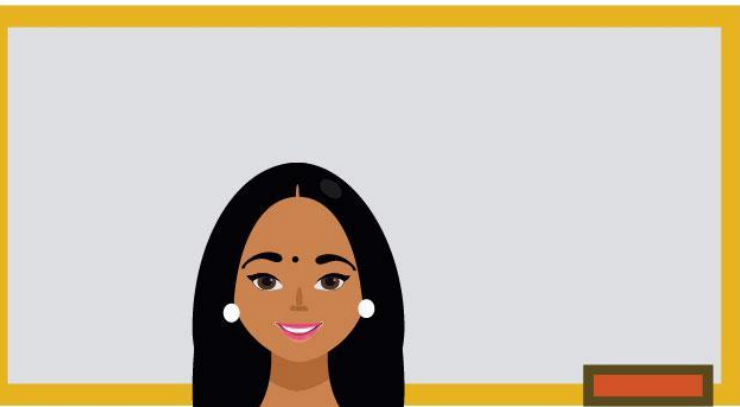
Session Schedule

3 hours



S.no	Topic	Duration
1.	Session 1: Introduction & Recap	30 mins
2.	Session 2: Mapping and Understanding the Need for Credit Access	150 mins
3.	Session 3: Process of Taking a Loan	90 mins
4.	Conclusion & Activity	30 mins

Get Ready For The Training With This Kit:



Materials

- Speaker
- Projector, Whiteboard and markers
- 25-30 Review question worksheets (depends on class strength)

Accessing Credit Module

Learning Objectives:

After the training, participants will:



Understand the meaning & advantages of formal credit



Know about the different types of relevant credit facilities available for the kirana entrepreneurs



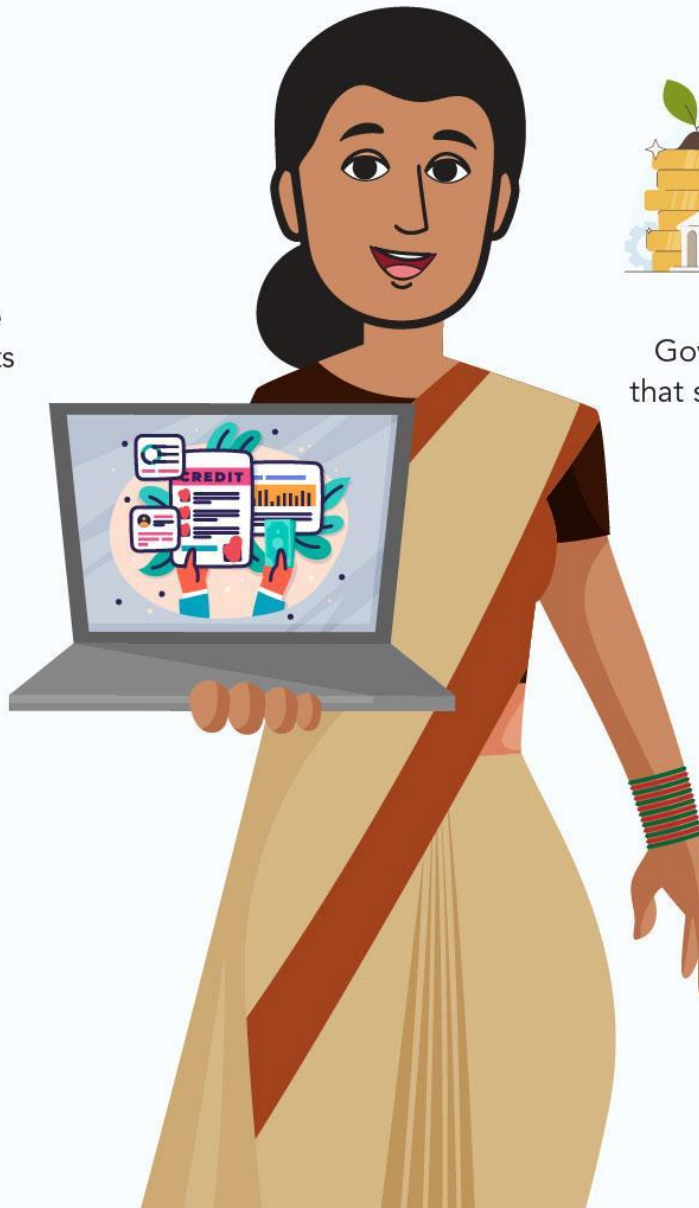
Be aware of the steps to avail formal credit



Be able to identify the issues and impediments to business growth



Learn about Government schemes that support kirana stores



Introduction



The key component of this module is to make the kirana entrepreneurs identify the procedures that are hampering their business growth. This module will teach the entrepreneurs to understand as to when their kirana businesses will require the support of credit from legitimate sources. It will also make them aware of the liabilities associated with borrowing money and how they can be responsible for the amount borrowed. In a nutshell, through this module, the kirana entrepreneurs will not only be aware of credit facilities but also learn to be financially responsible.



Session 1: Introduction - Ice-breaker activity: (10 minutes) -

Ssshhh....

- Divide the class into pairs
- Each participant in a pair will have to find out two things that their partner thinks is interesting about their kirana store – but without speaking.
- They then have to tell the group what two things they have discovered - or think they have.

Recap of Business Promotion

Next, you will distribute the review question worksheet which has to be solved by the participants

1. Diversification of kirana products refers to _____

- A. The entrepreneur sticks to one type of a product
- B. The entrepreneur sticks to only seasonal products
- C. The entrepreneur stocks a wide variety of products
- D. The entrepreneur does not stock frequently

2. Impulse purchases are when _____

- A. Customers buy what they had originally planned to buy
- B. Customers buy all of a sudden from the counter
- C. Customers buy in installments
- D. Customers do not buy anything at all



Facilitator Notes:

Seating arrangement for the activity - *Pair Pods*

Debrief of the activity:

This quick ice-breaker is a great way to teach both teamwork, and the importance of body language. Often, we tell others a lot more about ourselves than we might think. As entrepreneurs, we must be aware of our body language around our customers.

- Give them 10 minutes to solve the review questions
- After they have solved the questions, conduct a discussion with all the participants
- The participants will have to exchange their worksheets with their neighbours
- Their neighbours will then assess their marks
- When discussing any question, ensure that you nominate a (new) participant each time

*Note: Options highlighted in green are correct answers

Note: To evaluate your training, fill the form; refer to the Annexure-II > Trainer self-evaluation form



Facilitator Notes:

3. It is important to know your customer to _____

- A. Stock better & relevant products
 - B. Increase sales
 - C. Increase revenue
 - D. All of the above
-

4. Cross-selling refers to _____

- A. Recommending irrelevant products
 - B. Recommending relevant products
 - C. Not selling any product
 - D. Selling another product of same brand
-

Session 2: Mapping and Understanding the Need for Credit Access

You will ask the participants,



- ◆ Give the participants 07 minutes to write down their thoughts before they speak.
- ◆ Encourage them to answer and share their opinions.
- ◆ Consolidate the responses and cluster them on the board

Through a summarisation of the responses, highlight the issue of 'Capital' as the most critical barrier.



Facilitator Notes:

- Record the barriers as mentioned wrt to them realising their aspirations for their kirana store.
- You may cluster them in categories of gaps in capital, knowledge, skills etc. or others (e.g. space, manpower, family permissions etc.).
- It may be expected that 'Capital' will naturally emerge as one of the major barriers. Thereon, proceed by explaining the concept in detail

a. Why and when to borrow?

Essentially there are two choices, either one saves up money (savings) or one borrows money (loan/-credit). While aspects of savings had been addressed in the Financial Literacy module, this training module will focus on credit products and credit access.

You will ask the participants,

How many amongst you have taken loans?

What were the reasons for which you had taken loans?

If any of you are hesitant to take loans, what are your reasons?



- ◆ Record the responses of the second question on the board and cluster them on the basis of whether the loan was taken to meet a consumptive expenditure or to address an emergency
- ◆ Ask the participants to give examples of legitimate reasons for taking loans that represent investments in their kiranas.
- ◆ Ask them to explain how the investment assures them of an increase in income that will enable them to repay the loan.

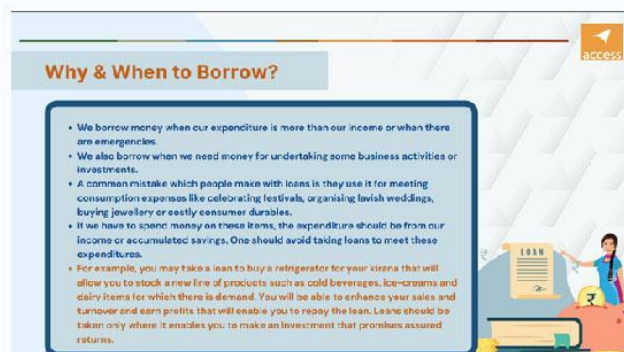
When our expenditure is more than our income

or when there are emergencies

when we need money for some business

Facilitator Notes:

Slide 4, 7, 8, 10



b. Terms associated with Credit:

- ◆ **Principal Amount:** the money that you originally agreed to pay back
- ◆ **Tenure:** the time period between the disbursement of your loan and the last EMI payment that you make
- ◆ **Simple Interest:** A simple interest loan is where your interest is calculated off the remaining principal balance of your loan
- ◆ **Compound Interest:** It refers to when you earn interest on both the money you've saved and the interest you earn.
- ◆ **Repayment Frequency:** It is how regularly you have to make loan repayments to your lender.
- ◆ **EMI:** Equated Monthly Installments or EMIs are a convenient way of repaying loans over a fixed period of time

c. Forms of Credit Available

Discussion: Ask the participants,

If they are aware of the differences between formal and informal sources of loans?

If any of them have previously taken loans? If yes, whether it was from formal or informal sources.



Facilitator Notes:

Proceed by explaining the concept in detail

- These questions are only to gauge the understanding level of your participants
- As of now, you will not be checking whether their answers are right or wrong

d. Ways to maintain basic (finance) loan hygiene:

- ◆ A common mistake which people make with loans is that they use it to meet consumption expenses like celebrating festivals, organising lavish weddings, buying jewellery or spend on other costly consumer durables
- ◆ If one wants to spend money on these items, the expenditure should be from the income or accumulated savings
- ◆ One should avoid taking loans to meet these expenditures
- ◆ Loans should be taken only where it enables you to make an investment that promises assured returns

For example:

One may take a loan to buy a refrigerator for their kirana that will allow them to stock a new line of products in demand such as cold beverages, ice-creams and dairy items. Through this, one can be able to enhance their sales turnover and earn profits that will enable them to repay the loan.



e. Knowing the Liabilities associated with Loans and Repayment:

- ◆ When one takes a loan, they have to pay back the amount to the lender, along with an additional cost called interest and possible additional charges
- ◆ Interest is the price one pays for borrowing the amount.
- ◆ Interest is normally expressed as a percentage of the amount one has borrowed. It is mostly calculated on an annual or on a monthly basis.
- ◆ There are two types of interest rates - Simple Interest & Compound Interest



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 23, 24

Knowing the Liabilities associated with Loans and Repayment

When you take a loan, you have to pay back the amount which you have received from the lender, plus an additional cost called interest, together with possible additional charges.

Interest is the price you pay for borrowing the amount. Interest is normally expressed as a percentage of the amount you have borrowed. It is mostly calculated on an annual or on a monthly basis.

Example: If you took a loan of Rs. 100 with 12% interest per year, you would pay an interest of Rs. 12 per year in addition to the rupees 100 that you received as loan. After one year, you would therefore have to pay the lender Rs. 112 plus any other fees/charges.

Compound Interest: With simple interest, the interest is only on the principal (i.e. the amount you initially invested); while with compound interest, the interest is calculated on the principal amount as well as any unpaid interest. Example: If you have taken an amount of Rs.100/- as loan for a tenure of 10 years, at 10% annual rate of interest, you will have to pay Rs. 100/- on simple interest and Rs. 160/- on compound interest (in addition to the principal amount).

Knowing the Liabilities associated with Loans and Repayment

- Many loan providers give you easy repayment plans, where you do not have to pay back the whole amount in one go. We repay in instalments i.e. EMI.
- EMI (equated monthly instalments): EMIs are payment made every month, generally on a fixed month for the tenure of the loan till the outstanding amount has been completely paid. EMIs are calculated based on three factors: loan amount, interest rate and tenure of the loan.
- Before you take a loan, compare the offers from different financial institutions by considering:
 - interest (rate, period, fixed/variable),
 - charges and penalties.
- If you shop around for the best lender, you will most likely end up getting a better deal with more favourable terms of repayment.
- Loans have to be repaid in a stipulated time. Before you take a loan, ask the lender about the total amount you have to pay back over the entire period of the loan and also about any additional charges that may be levied.
- It is the responsibility of the lender to tell you this. If he does not, ask for it. In addition to interest, financial service providers may charge further fees/charges. These include loan processing fees, insurance, stamp duty, etc.



Success



Success

Simple Interest Example:

For a loan of Rs.100 with 12% interest per year, the interest would be Rs.12 per year in addition to the Rs.100 that was received as loan. After one year, the borrower would therefore have to pay the lender Rs.112 plus any other fees/charges.

Compound Interest Example:

With simple interest, the interest is only on the principal (i.e., the amount you initially invested); while with compound interest, the interest is calculated on the principal amount as well as any unpaid interest. If the loan taken is an amount of Rs.100 for a tenure of 10 years, at 10% annual rate of interest, the borrower will have to pay Rs.100 on simple interest and Rs.160 on compound interest (in addition to the principal amount).

- ◆ Many loan providers offer easy repayment plans, where the borrower does not have to pay back the whole amount in one go. They repay in installments which are also known as EMIs.
- ◆ EMI (equated monthly installments) are payments made every month, generally on a fixed month for the tenure of the loan till the outstanding amount has been completely paid.
- ◆ EMIs are calculated based on three factors:



- ◆ Before you take a loan, compare offers of different financial institutions by considering: interest (rate, period, fixed/variable), charges and penalties.
- ◆ Loans have to be repaid in a stipulated time.



Facilitator Notes:

Proceed by explaining the concept in detail

- ◆ Before taking a loan, ask the lender about the total amount one has to pay back over the entire period of the loan
- ◆ Also, check if any additional charges may be levied.
- ◆ It is the responsibility of the lender to tell the borrower. If s/he does not, ask for it.
- ◆ In addition to interest, financial service providers may charge further fees / charges. These include loan processing fees, insurance, stamp duty, etc.

f. Forms of Credit Available for Businesses



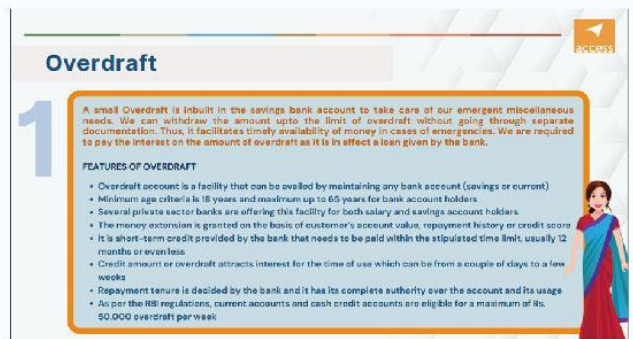
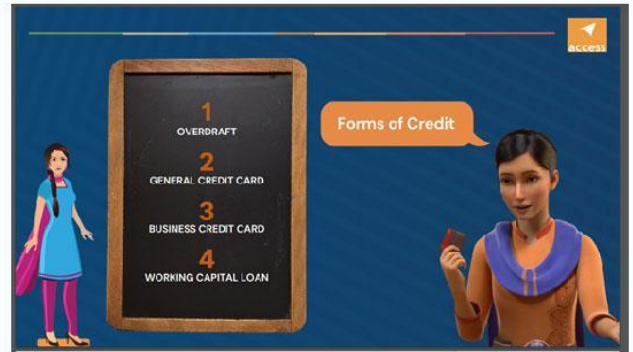
1. **Overdraft:** A small overdraft is inbuilt in the saving bank account to take care of our emergent miscellaneous needs.
 - ◆ We can withdraw a small amount up to the limit of overdraft without going through separate documentation
 - ◆ Thus, it facilitates timely availability of money in cases of emergencies.
 - ◆ We are required to pay the interest on the amount of overdraft as it is in effect to a loan given by the bank



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 11, 12



a. Features of Overdraft



- Overdraft account is a facility that can be availed by maintaining any bank account (savings or current)



- Minimum age criteria is 18 years and maximum up to 65 years for bank account holders



- Several private sector banks are offering this facility for both salary and savings account holders



- The money extension is granted on the basis of customer's account value, repayment history or credit score



- It is short-term credit provided by the bank that needs to be paid within the stipulated time limit, usually 12 months or even less



- Credit amount or overdraft attracts interest for the time of use which can be from a couple of days to a few weeks



- Repayment tenure is decided by the bank and it has its complete authority over the account and its usage



- As per the RBI regulations, current accounts and cash credit accounts are eligible for a maximum of Rs. 50,000 overdraft per week

b. Pros & Cons of Overdraft Facility

PROS	CONS
Helps in managing cash flow of business	Higher interest rate
Fulfils urgent cash requirements	Offered only to bank account holders
Interest is paid only on utilized amount	Sanctioned limit depends upon applicant's financials
Can be withdrawn at short-notice	Short-term borrowing – revises every year



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 13

access

Pros & Cons of Overdraft Facility

Pros

- ✓ Helps in managing cash flow of business
- ✓ Fulfils urgent cash requirements
- ✓ Interest is paid only on utilized amount
- ✓ Can be withdrawn at short-notice
- ✓ No collateral required by banks

Cons

- ✗ Higher interest rate
- ✗ Offered only to bank account holders
- ✗ Sanctioned limit depends upon applicant's financials
- ✗ Short-term borrowing – revises every year
- ✗ Not suitable for long-term finance

2. General Credit Card: A GCC is issued as a biometric smart card/debit card compatible for use in ATMs / handheld swipe machines. These machines are capable of storing adequate information of an entrepreneur's identity, assets, credit profile, etc.

a. Features of General Credit Card:

- ◆ **EMI payments:** The card can be used to convert your high-end purchases into affordable EMIs effortlessly, which can be paid over a period of time.
- ◆ **Easy Approval:** A credit card can be applied online as well as offline. The eligibility criteria is simple and involves only a few basic documents.
- ◆ **Customised card limit:** The card limit varies from one cardholder to another and is decided by the issuer based on the credit history and score. Generally, the better the score and history, the higher is the credit limit.
- ◆ **Loans during an emergency:** Credit card facilities can also be used to avail a personal loan to address any emergencies that may arise.
- ◆ **ATM cash withdrawal:** Like a debit card, it too can be used to withdraw cash from ATMs. An interest and a fee might be charged for such transactions, though some issuers offer the benefit of no interest withdrawals too.
- ◆ **Discounts and Offers:** Discounts and offers can be availed on a range of products ranging from accessories, electronics, clothes, etc.
- ◆ **Rewards:** Reward points can be earned based on spends and card type, and can be later used to avail discounts, gift vouchers, etc.
- ◆ **Secure pay:** The card is protected using multi-factor authentication and in-hand security features. It is, therefore, a secure means of transaction and reduces the dependency on cash.



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 14, 15


General Credit Card

2

A GCC is issued as a smart card/debit card (biometric smart card compatible for use in the ATMs/handheld swipe machines and capable of storing adequate information of entrepreneur's identity, assets and credit profile, etc.)

FEATURES OF GENERAL CREDIT CARD

- **EMI payments**- The card can be used to convert your high-end purchases into affordable EMIs effortlessly, which can be paid over a period of time.
- **Easy Approval**- A credit card can be applied online as well as offline. The eligibility criteria is simple and involves only a few basic documents.
- **Customised card limit**- The card limit varies from one cardholder to another and is decided by the issuer based on the credit history and score. Generally, the better the score and history, the higher is the credit limit.
- **Loans during an emergency**- Credit card facilities can also be used to avail a personal loan to address any emergencies that may arise.




General Credit Card

2

FEATURES OF GENERAL CREDIT CARD

- **ATM cash withdrawal**- Like a debit card, it too can be used to withdraw cash from ATMs. An interest and a fee might be charged for such transactions, though some issuers offer the benefit of no interest withdrawals too.
- **Discounts and Offers**- Discounts and offers can be availed on a range of products ranging from accessories, electronics, clothes, etc.
- **Rewards**- Reward points can be earned based on spends and card type, and can be later used to avail discounts, gift vouchers, etc.
- **Secure pay**- The card is protected using multi-factor authentication and in-hand security features. It is, therefore, a secure means of transaction and reduces the dependency on cash.



b. Eligibility of General Credit Card

- ◆ **Age:** The minimum age for applying for a credit card is 18 years. However, this may vary from bank to bank.
- ◆ **Residence:** You must be a resident of India if you wish to apply for a credit card. Some banks also offer credit cards to non-resident Indians (NRIs).
- ◆ **Income:** You must have a steady income to apply for a credit card. Both salaried and self-employed individuals are eligible for the same. Usually, the minimum annual income for applying for a credit card is ₹2 lakh. However, this can vary depending on the requisite guidelines of the issuing authority.
- ◆ **Credit Score:** It is easiest to get credit cards when you have a good credit score. In the absence of a credit score, a credit card can be availed against your income and savings. In case you have a low credit score, you can opt for a secured credit card issued against a fixed deposit.

c. Documents to avail credit card

- ◆ **Identity Proof:** Aadhaar Card, PAN Card, Driving License, Ration Card

Address Proof: Aadhaar Card, Driving License, Property documents, Lease/Rent agreement, Utility bills of the last three months

Income Proof: Form 16, Income tax returns, Salary slips of the last three months Bank statements of the previous six months



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 16

Eligibility: General Credit Card

AGE
The minimum age for applying for a credit card is 18 years. However, this may vary from bank to bank.

RESIDENCE
You must be a resident of India if you wish to apply for a credit card. Some banks also offer credit cards to non-resident Indians (NRIs).

INCOME
You must have a steady income to apply for a credit card. Both salaried and self-employed individuals are eligible for the same. Usually, the minimum annual income for applying for a credit card is ₹2 lakh. However, this can vary depending on the requisite guidelines of the issuing authority.

CREDIT SCORE
It is easiest to get credit cards when you have a good credit score. In the absence of a credit score, a credit card can be availed against your income and savings. In case you have a low credit score, you can opt for a secured credit card issued against a fixed deposit.

Slide 17

Documents for Availing Credit Card

IDENTITY PROOF
Aadhaar Card, PAN Card, Driving License, Ration Card

ADDRESS PROOF
Aadhaar Card, Driving License, Property documents, Lease/Rent agreement, Utility bills of the last three months

INCOME PROOF
Form 16, Income tax returns, Salary slips of the last three months Bank statements of the previous six months

3. Business Credit Card

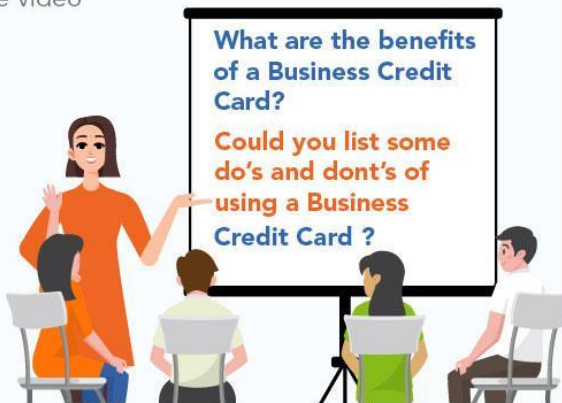
- ◆ Business Credit Card is a card specifically designed for business expenses rather than for an individual's personal use.
- ◆ Helps businesses and corporates in streamlining their expenses and avail several business-specific benefits.
- ◆ Issued by banks after you choose the card according to your requirements for a period of 1-3 years.
- ◆ For availing a Business Credit Card an application form with a photograph will have to be submitted.
- ◆ An annual fee is applicable on Business Credit Cards but it varies from bank to bank.
- ◆ Some banks waive the annual fee if spending using the Business Credit Card is above a specified amount (as fixed by issuing bank)

a. Features of Business Credit Card

- ◆ Higher credit limit
- ◆ Longer period before interest occurs
- ◆ Reward point, cashback discounts
- ◆ Low rate of interest
- ◆ Specially design for business expansion
- ◆ Discount for early repayment

b. Security Features of Business Credit Card

- ◆ Play the BuddhiMoney video
- ◆ Instruct the participants to note down their answers after based on what they learnt from the video



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 18, 19, 21



Business Credit Card

3

- Business Credit Card is a card specifically designed for business expenses rather than for an individual's personal use.
- Helps businesses and corporates in streamlining their expenses and avail several business-specific benefits.
- Issued by banks after you choose the card according to your requirements for a period of 1-3 years.
- For availing a Business Credit Card an application form with a photograph will have to be submitted.
- An annual fee is applicable on Business Credit Cards but it varies from bank to bank.
- Some banks waive the annual fee if spending using the Business Credit Card is above a specified amount (as fixed by issuing bank).



Features of Business Credit Card

- Higher credit limit
- Longer period before interest occurs
- Reward point, cashback discounts
- Low rate of interest
- Specially design for business expansion
- Discount for early repayment



What are the benefits of a Business Credit Card?

Could you list some do's and don't's of using a Business Credit Card?

जनरल स्टोर

After the answers are discussed, summarise the topic and move on to the next point

4. Working Capital Loan: In simple language, working capital refers to the money used to cover all of a business' short-term expenses, which are due within one year.

- ◆ Working loan capital can be availed through banks.
- ◆ There are various government schemes available for small businesses

5. Advantages of Availing Formal Credit

- ◆ Free from traps of informal moneylenders – which happens to be a major challenge in the informal / unorganised sector
- ◆ Can avail a small ticket size loan of up to Rs. 5,000 also
- ◆ Can avail loans in a short time as the application process is less time-consuming
- ◆ Collateral is not a requirement – It is a common myth that there is a risk of losing collateral. This is not true.
- ◆ Availability of Grievance Redressal mechanism, as banks are regulated entities, every bank has a Grievance Redressal Officer
 - The details of which are published in all branches and also on their website.
 - In case of any dispute, we can file a complaint with the Grievance Redressal Officer of that bank.
 - In case you are not satisfied with the resolution of the dispute by them, you can file a complaint with the banking ombudsman of the Reserve Bank of India.

6. Benefits of Credit Products

- ◆ Fulfill short & long term financial needs of the business.
- ◆ Help to manage daily business expenses and avail several business specific benefits.
- ◆ Build a good credit score and maintain business transactions to avail other financial services from formal sources.

Facilitator Notes:

Proceed by explaining the concept in detail


Slide 22, 25, 26



Working Capital Loan

4

In simple language working capital means the money used to cover all of a company's short-term expenses, which are due within one year. Working loan capital can be availed through banks. There are various government schemes available for small businesses.




Breaking Myths

Can avail a small ticket size loan
A general misconception is that you can only get formal credit for a big amount. You can avail a loan of as less as Rs. 5,000 also.

Collateral is not a requirement
It is a common myth that there is a risk of losing collateral. There are different types of loans, not all loan types require collateral.

Can avail loan in a short time
It is assumed that loan applications take a long time. But loan application process has become very quick and easy. You can apply for a loan online!

Grievance Redressal mechanism available
The RBI mandates all banks to provide grievance redressal for all customers in a time bound manner. Customers can follow the 3-tier complaint resolution system- Branch, Zone and Head Quarter.



Benefits of Credit Products

Fulfill short & long term financial need of the business.

Help to manage daily business expenses and avail several business-specific benefits.

Build a good credit score and maintain business transaction to avail other financial services from formal sources.

Note: To evaluate your training, fill the form; refer to the Annexure-II > Trainer self-evaluation form

Session 3: Process of Taking a Loan

1. Approaching Financial Institutions

- ◆ Approach nearest Bank, MFI, NBFC, SFB
- ◆ The loan officer will assist you with filling out your form
- ◆ Provide documents to the loan officer
- ◆ Get your loan sanctioned
- ◆ Get your loan disbursed

a. Eligibility:

- Business registration proof
- 2 years of business vintage period has to be proved.
- Either office or residence in the city to be self owned in the name of parents, self, or spouse – not compulsory for all
- Current account and savings account bank statements are acceptable.
- There has to be no personal or business loan taken in the last 3 months

b. Documents:

- KYC of the applicants and co-applicants
- Ownership proof
- Business registration proof
- Last 6 months' bank statement



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 27, 28, 29



2. Know Your Customer (KYC)

Discussion:

Ask the participants,

If they have heard of the term KYC and whether they know what it stands for



- ◆ Then play the BuddhiMoney video on KYC to make the discussion interactive
- ◆ Instruct the participants to note down 3 new things they learnt & 3 key takeaways from the video



KYC stands for 'Know Your Customer'. It is a system by which banks obtain information about their customers and assess the creditworthiness of the customer via details like identity and address proof



Facilitator Notes:

Slide 30, 32



- This question is only to gauge the understanding level of your participants
- As of now, you will not be checking whether their answers are right or wrong

Note: To evaluate your training, fill the form; refer to the Annexure-II > Trainer self-evaluation form

3. Informal to Formal

To grow your business, it is important to give your business an identity which can be referred to as Going Formal. It helps you avoid penalties & fines, explore more avenues of marketing, and avail credit for your business through bank loans or government schemes.

- ◆ To explain the concept of going formal in detail, present the following video: BuddhiMoney video
- ◆ While presenting the video, ask the participants to note down answers to the following questions:



- ◆ After the questions have been answered, you will summarise the video

4. Government Schemes and Other Sources of Credit

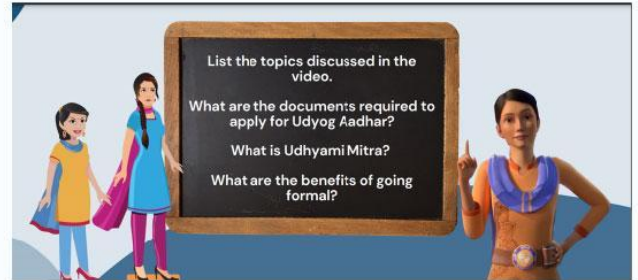
The Government of India has introduced several schemes to help small-scale entrepreneurs and protect them from being exploited by informal lenders. Some of these schemes relevant to kirana stores to avail credit are listed below:



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 38



I. Mudra Scheme



Mudra is a scheme launched for providing loans up to 10 lakh to the non-corporate, non-farm small/micro enterprises. The loan can be categorized into three categories:

Shishu: covering loans up to 50,000/-

Kishor: covering loans above 50,000/- and up to Rs. 5 lakhs

Tarun: covering loans above Rs. 5 lakh and up to Rs. 10 lakhs

Key documents required: proof of identity, quotation of items purchased and category certificates

The loans under the Mudra Yojana will be extended by public sector banks, private sector banks, cooperative banks, Regional Rural Banks (RRBs), foreign banks, Non-Banking Financial Companies (NBFCs), and Micro Finance Institutions (MFIs).

II. 59 Minutes Scheme

This scheme helps secure a loan sanction the fastest. You can avail a Business loan in 59 minutes online. The scheme provides loans from 10 lakhs upto 1 crore.

Documents required:

GST registration

Tax return documents

Last 6 months' bank statements

Owners basic details



Ask the participants,

Name the sources from which you might have taken loans in the past

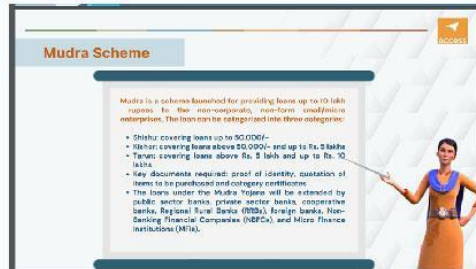
Please share your experience with the others



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 34, 35, 36, 37



Note: Only ask them to share their experience if they had taken loans from either an MFI, NBFC or SFB

III. Banks

Everyone knows we can go to banks to get loans. All banks are regulated by the Reserve Bank of India which is also known as the central bank. But other than the regular banks, there are other institutions that give loans and are regulated by the RBI. They are as follows:

- **Small Finance Banks:** Provide basic banking service of acceptance of deposits and lending. These banks have clients such as small business units, small & marginal farmers, micro & small industries and unorganized sector entities. Names of small finance banks are Ujjivan, Utkarsh, AU, Suryoday
- **Micro-Finance Institutions (MFIs):** MFIs offer micro credit and also facilitate provision of other financial services like insurance, remittance and non-financial services like individual counselling, training and support to start micro-enterprises.
- **Non-Banking Financial Companies (NBFCs):** NBFCs are engaged in the business of granting loans and advances, acquisition of securities, leasing business, hire purchase, insurance business, chit business etc. They are different from banks, as normally they can't accept demand deposits, & cannot become part of payment & and settlement systems.
 - **NBFCs & MFIs in Lucknow:** BFIL, BMC, Future Age, Margadarshak, Muthoot Microfinance, NAMRA (ARMAN), NEED, Satin, Sonata, Vedika



- **NBFCs & MFIs in Kanpur:** BMC, Cashpor, Margdarshak, Muthoot Microfin, Sonata
Online resources: Udyami Mitra Portal (udyamimitra.in)



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 33, 39

Where to Get a Loan

- **Banks:** Everyone knows we can go to banks to get loans. All banks are regulated by the Reserve Bank of India also known as the central bank. But other than the regular banks, there are other institutions that give loans and are regulated by RBI.
- **Small Finance Banks:** Provide basic banking service of acceptance of deposits and basic lending. These banks have clients such as small business units, small and marginal farmers, micro and small industries and unorganized sector entities. Some well-known Small Finance Banks are Ujjivan, Utkarsh, AU and Suryoday.
- **Micro-finance institutions (MFIs):** MFIs offer micro-credit and also facilitate provision of other financial services like insurance, remittance and non-financial services like individual counselling, training and support to start micro-enterprises.
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To grow your business, it is important to give your business an identity which means Going Formal.

Going Formal helps you

- avoid penalties and fine
- explore more avenues for marketing
- avail credit for your business through bank loans or government schemes

Going formal will help you access credit!

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Recall Activity:

- ◆ Divide the participants into groups of 4
- ◆ Project the following table
- ◆ Ask every group has to match the questions on column A with the answers in the column B

COLUMN A	COLUMN B
a. Credit means	1. Inbuilt in the savings bank
b. Interest refers to	2. Are easy to be approved
c. Overdraft is _____	3. Issued by banks for a period of 1-3 years
d. Current accounts & cash credit accounts are eligible for a maximum of Rs_____ overdraft weekly	4. Credit
e. General credit cards	5. Someone loans you money
f. Business credit card	6. Amount you pay to borrow money
g. KYC =	7. Rs. 50,000
h. Government schemes	8. Loans above 5 lakhs to upto 10 lakhs
i. Tarun (Mudra scheme)	9. Know your customer
j. _____ allows you to make new investments in your business	10. Mudra scheme 59 Minutes scheme



Facilitator Notes:

Answer key (Match the columns):

- A. 5
- B. 6
- C. 1
- D. 7
- E. 2
- F. 3
- G. 9
- H. 10
- I. 8
- J. 4

Conclusion:

- ◆ During the activity, summarize the answers after the participants have shared their response
- ◆ Clarify doubts during the process
- ◆ Let participants share feedback



Facilitator Notes:

Slide 40



Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

After the session is over, distribute the feedback forms shared in the **Annexure-II > Training Feedback Form**

CHAPTER 6

CREDIT DISCIPLINE



Chapter 6

Credit Discipline

Session 1

Introduction

- Program Introduction
- Ice-breaker Activity
- Review Questions

Session 2

Tips to Maintain Credit Discipline

- Group Discussion
- Terms of a Loan

Session 3

Billing Cycle and Repayment Cycle

- Billing Cycle: Definition
- Repayment Cycle: Definition
- Repayment: Do's & Don'ts

Session 4

Financial Discipline and Credit-Worthiness

- Discussion
- Financial Discipline: Definition
- Financial Discipline: Plan
- Ways to Achieve Good Financial Discipline
- Rewards of Financial Discipline
- Credit Worthiness: Definition
- The 5 Cs of Creditworthiness
- Role Play

Session 5

Credit Bureau and Credit Score

- Credit Bureau: Definition
- Credit Score: Definition
- Recall Activity
- Conclusion

Session Schedule: 4.2 hours



S.no	Topic	Duration
1.	Session 1: Recap	30 mins
2.	Session 2: Tips to Maintain Credit Discipline	30 mins
3.	Session 3: Billing Cycle and Repayment Cycle	45 mins
4.	Session 4: Financial Discipline and Credit-Worthiness	70 mins
5.	Session 5: Credit Bureau and Credit Score	40 mins
6.	Conclusion & Activity	30 mins

Get Ready For The Training With This Kit:

- Projector
- Whiteboard and markers
- 20-25 Review question worksheets



Credit Discipline Module

Learning Objectives:

After the training, participants will:



Learn to be responsible in dealing with terms of credit and loans



Be introduced to the concept of billing and repayment cycle and be made aware of critical Do's & Donts'



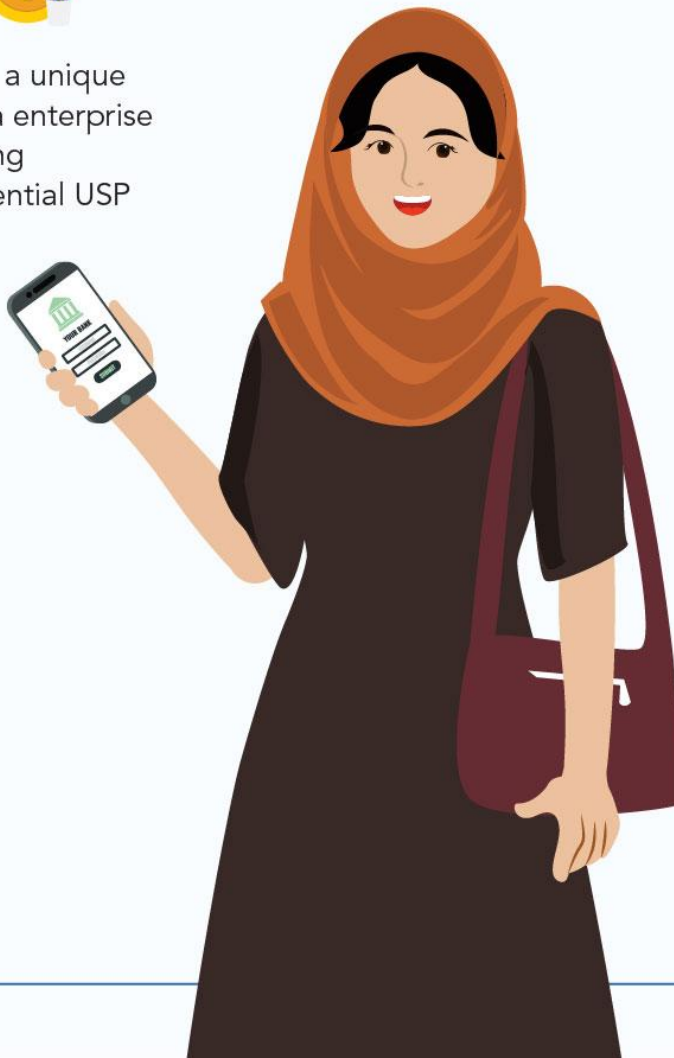
Become familiar with the concept of making themselves financially disciplined and credit-worthy



Be able to identify a unique aspect of their kirana enterprise thus allowing them to find a potential USP



Learn about credit bureaus and know the importance of having a reliable credit score



Introduction



The key component of this module is to make the kirana entrepreneurs aware of building financial discipline by understanding core concepts of credit score, terms of a loan & repayment of credit bills etc.



Session 1: Introduction - Ice-breaker activity: (10 minutes)

Most Unique

- Divide the class into pairs
- Allot them 07 minutes
- Ask each participant to share something about their kiranas that they believe is unique from everyone else's in the room
- After everyone has shared their responses, nominate one pair to share their response (where the partner has to share their partner's answer)

Recap of Accessing Credit

Next, you will distribute the review question worksheet which has to be solved by the participants

1. We borrow money when _____.

- a. Our expenditure is more than our income
- b. When there are emergencies
- c. We need money for some business activities / investments
- d. All of the above

2. One popular mistake most people make when thinking of using credit is _____

- a. Taking credit for future business investments
- b. Taking credit to fund new innovation in business
- c. Taking credit to fund expensive lifestyle aspirations
- d. Taking credit to promote their business



Facilitator Notes:

Seating arrangement for the activity - *Pair Pods*

Debrief of the activity:

This activity encourages openness and celebrates individuality among the group while also sharing creative ideas / implementations done by fellow kirana entrepreneurs.

Identifying the unique point of their kirana enterprises will help them to promote their uniqueness

- Give them 10 minutes to solve the review questions
- After they have solved the questions, conduct a discussion with all the participants
- The participants will have to exchange their worksheets with their neighbours
- Their neighbours will then assess their marks
- When discussing any question, ensure that you nominate a (new) participant each time

*Note: Options highlighted in green are correct answers

Note: To evaluate your training, fill the form; refer to the Annexure-II > Trainer self-evaluation form



3. _____ is a facility that can be availed by maintaining any bank account (savings or current)

- a. Business credit card
 - b. General credit card
 - c. Overdraft account
 - d. Term loan
-

4. Overdraft facility helps in _____

- a. Managing cash flow in business
 - b. Maintaining lower interest rate
-

5. To be eligible to have a general credit card you must be ___ years of age

- a. 25 years
- b. 35 years
- c. 18 years
- d. 16 years



Session 2: Tips to Maintain Credit Discipline

A. Discussion:

You will ask the participants,

Has any one of you taken a loan?
Did you sign any document when you took the loan?
Did you read the document you were signing? What was written in it?



- ◆ When you take a loan, it is always under certain conditions and guidelines
- ◆ These guidelines detail what's expected of both the borrower and the lender
- ◆ Reviewing loan terms before signing off on a loan is very important
- ◆ Understanding the loan terms before you enter into a repayment agreement with the lender can also help you determine whether a loan is a good fit for you
- ◆ You need to know what your obligations are with regard to making payments on the loan
- ◆ For instance, if your loan payment is due on a specific date each month, you must know the date to avoid paying late fees and potentially damaging your credit score
- ◆ If there's something in the loan terms with which you don't agree—such as a penalty fee or another condition—you could reject the loan offer

Imagine this scenario-

You purchase supplies from wholesalers on credit. You have to pay the wholesaler on time in order to ensure continuous supply goods.

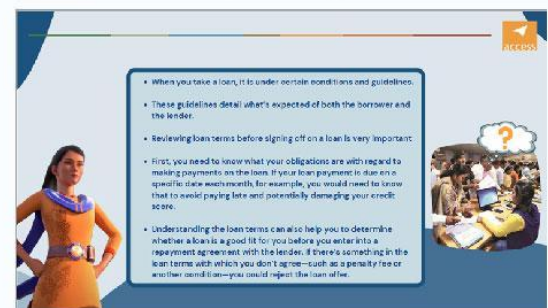


Facilitator Notes:

Seating arrangement for the activity - *Roundtable*

- These questions are only to gauge the understanding level of your participants
- As of now, you will not be checking whether their answers are right or wrong
- Proceed by explaining the concept in detail

Slide 6,7,8,10



◆ Ask the participants,

What will happen if you do not pay your wholesaler on time?
What do you do?

Upon receiving the answers, state the importance of rigorously following the terms of a loan as shared



B. Terms of a Loan:

◆ Terms of loan refers to the terms and conditions involved when borrowing money.

This can include:

- The loan's repayment period
- The interest rate and fees associated with the loan
- Penalty fees and any other special conditions that may apply

◆ When applying for a loan, the lender should specify what the loan terms are before finalizing any borrowing agreement.

◆ It's important to review loan terms carefully to check for any hidden clauses or fees that could potentially cost you money.

◆ Terms and conditions are applicable for any credit product.

◆ While accessing any credit product you will have to sign a document which contains the guidelines, terms & conditions

◆ You must read the terms very carefully before signing

Timely payment of dues is crucial if one wishes to continue to avail an uninterrupted supply of credit. This is referred to as the Billing and Repayment cycle.

Facilitator Notes:

- These questions are only to gauge the understanding level of your participants
- As of now, you will not be checking whether their answers are right or wrong
- Proceed by explaining the concept in detail

Slide 12, 13, 15

Billing and Repayment cycle

- Billing Cycle, also referred to as a billing period, is the interval of time between billing statements.

- Although billing cycles are most often set at one month, they may vary in length depending on the product/service rendered. Typically, the billing cycle lasts anywhere between 20 and 40 days.

- The repayment includes both:

The principal amount

Interest over a predefined number of monthly instalments.



- Repayment Cycle (Schedule) is the set of repaying the loan through a series of scheduled payments generally referred to as EMIs that includes both the principal amount outstanding and the interest component.

- Administering billing and repayment cycles smartly can help in balancing the credit requirement for businesses without having to pay interest or very minimal interest for availing the term loan or Business Credit Cards.

- These cycles are also more important because upon failing to comply, one may be penalized financially. Further, failing to comply to the financial penalties individual can invoke legal action.



Timely payment of dues is crucial if one wishes to continue to avail an uninterrupted supply of credit through term loan or business credit card.

This is referred to as Billing and Repayment cycle.



Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Session 3: Billing Cycle and Repayment Cycle

Billing Cycle, also referred to as a billing period, is the interval of time between billing statements. Although billing cycles are most often set at one month, they may vary in length depending on the product/service rendered. Typically, the billing cycle lasts anywhere between 20 and 45 days.

The repayment includes both:



The principal amount



Interest over a predefined number of monthly installments

Repayment Cycle/Schedule is the act of repaying the loan through a series of scheduled payments generally referred to as EMIs that includes both the principal amount outstanding and the interest component

- Administering billing and repayment cycles smartly can help in balancing the credit requirement for businesses without having to pay interest or very minimal interest
- These cycles are also more important because upon failing to comply, one may be penalized financially
- Further, failing to comply to the financial penalties individual can invoke legal action

To summarise the above given points, present the BuddhiMoney video on Managing & Repaying Business Loans



After presenting the video, ask the participants:

- List the topics discussed in the video.
- What are the advantages of repaying your loans on time?



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 14



After hearing the responses, bring a closure to the topic by elaborating the Do's & Dont's table given below:

DO'S

- Know your payment due dates
- Check your statements every month
- Keep your payments around 10% of your income
- Always try to pay more than the minimum payment
- Know when you need to pay to use credit cards interest-free
- Call your creditors to negotiate lower APR (Annual Percentage Rate)
- Keep your accounts open and in good standing
- Use your lowest APR credit card for big purchases
- Use credit card reward programs to your advantage
- Take advantage of additional features, like credit score tracking
- Understand cosigning before you get into it
- Eliminate credit card debt before you apply for loans
- Become familiar with debt consolidation before you need it
- Know when it's time to seek professional help

DON'TS

- Don't run up your balances to the limit
- Don't use reward credit cards when you can't pay off the balance quickly
- Never use credit as a substitute for income
- Never take on more credit than you can afford to pay back
- Don't miss a payment by more than 30 days
- Avoid cash advances
- Don't close old accounts
- Don't let accounts close due to inactivity
- Don't ignore fraud protection calls
- Don't carry balances from month to month
- Don't hide from your creditors if you're having trouble
- Don't settle debt if you don't want to ruin your credit

**Facilitator Notes:**

You will repeat the do's and don'ts in the form of questions-answers and encourage participants to participate actively

Slide 16, 17, 18, 19

Do's

- Keep your payments around 10% of your income
- Always try to pay more than the minimum payment
- Know when you need to pay to use credit cards interest-free
- Check your statements every month
- Call your creditors to negotiate lower APR (Annual Percentage Rate)
- Know your payment due dates
- Keep your accounts open and in good standing

Do's

- Take advantage of additional features, like credit score tracking
- Understand cosigning before you get into it
- Eliminate credit card debt before you apply for loans
- Use your lowest APR credit card for big purchases
- Use credit card reward programs to your advantage
- Become familiar with debt consolidation before you need it
- Know when it's time to seek professional help

Don'ts

- Don't use reward credit cards when you can't pay off the balance quickly
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Don'ts

- Don't ignore fraud protection calls
- Don't carry balances from month to month
- Don't hide from your creditors if you're having trouble
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- Don't close old accounts
- Don't settle debt if you don't want to ruin your credit

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Session 4: Financial Discipline and Credit-Worthiness

To access and manage credit for business, the entrepreneur needs to have financial discipline.

A. Discussion:

You will ask the participants,



- ◆ Financial discipline refers to how well you are able to confirm your spending and saving to the plans that you have set to achieve your monetary goals.
- ◆ Maintaining financial discipline by ensuring timely payment of loan or Business Credit Card dues can help to maintain a risk-free business account.
- ◆ It also generates a clean transaction history that contributes to one's credit-worthiness thereby increasing the probability of getting loan or credit in the future
- ◆ With a regulated spending pattern and a monthly budget plan, kiranas can drive strategies to achieve business goals and growth.

B. A good financial discipline and plan ensures:

- ◆ No unplanned expenses
- ◆ Optimum inventory
- ◆ Maintains positive cash flows
- ◆ Aids in achieving the targets
- ◆ Helps in your vision
- ◆ Improves efficiency and negotiation skills

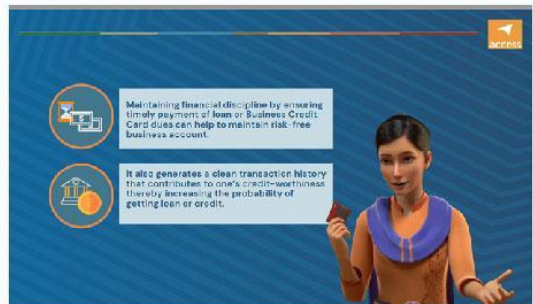


Facilitator Notes:

Seating arrangement for the activity - Roundtable

- These questions are only to gauge the understanding level of your participants
- As of now, you will not be checking whether their answers are right or wrong
- Proceed by explaining the concept in detail

Slide 20, 21, 22, 25



C. How do we achieve good financial discipline?

1. Make a Plan

If you don't have a financial plan in place, it's really hard to be disciplined about how you spend your money because you haven't created any guidelines or yourself to follow.

- ◆ When creating a plan, look at both the short-term and long term dreams you have.
- ◆ While a budget is part of the plan, the purpose isn't to prevent you from spending any money.
- ◆ Instead, having financial discipline allows you to make sure you have money for what's most important to you

2. Use Automation to Boost Discipline

Automating your savings helps you avoid the temptation to spend your money on things you don't need because the money never shows up in your general checking account.

For example: If you want Rs200 to be saved for your emergency fund every month, have Rs200 deposited directly into a separate savings account.

3. Be Accountable for Your Spending

- ◆ Making sure you track your spending helps you stay accountable for your money management. For example: if you know that you're going to review your spending each week, you can motivate yourself to think twice before you make an impulse purchase because you know you're going to see the mistake when you review your spending.
- ◆ On the flip side, as you build your financial discipline, you can see the fruits of your labor when you check your account balances.



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 23, 24

How do we achieve it?

Make a Plan
If you don't have a financial plan in place, it's really hard to be disciplined about how you spend your money because you haven't created any guidelines for yourself to follow. When creating a plan, look at both the short-term and long-term dreams you have. While a budget is part of the plan, the purpose isn't to prevent you from spending any money. Instead, having financial discipline allows you to make sure you have money for what's most important to you.

Use Automation to Boost Discipline
Automating your savings helps you avoid the temptation to spend your money on things you don't need because the money never shows up in your general checking account. For example, if you want Rs 200 to be saved for your emergency fund every month, have Rs 200 deposited directly into a separate savings account.

Be Accountable for Your Spending
Making sure you track your spending helps you stay accountable for your money management. For example, if you know that you're going to review your spending each week, you can motivate yourself to think twice before you make an impulse purchase because you know you're going to see the mistake when you review your spending. On the flip side, as you build your financial discipline, you can see the fruits of your labor when you check your account balances.

Rewards of Financial Discipline
It might not seem like fun to turn down spur-of-the-moment purchases, but having financial discipline pays off in the long term. Earning within your means reduces your stress level. And, you can make sure you have the money for the things on which you really want to spend.

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

D. Rewards of Financial Discipline

It might not seem like fun to turn down spur-of-the-moment purchases, but having financial discipline pays off in the long term. Living within your means reduces your stress levels. And, you can make sure you have the money for the things on which you really want to spend.

E. What is Credit-Worthiness?

Credit-worthiness, simply put, is how 'worthy' or deserving one is of receiving credit. If a lender is confident that the borrower will honor his/her debt obligation in a timely fashion, the borrower is deemed credit-worthy.

Financial institutions use credit ratings to quantify credit-worthiness of credit applicants and decide whether the applicant is eligible for credit, and if yes, up to what amount.

F. The 5 Cs of Creditworthiness

The 5 Cs of credit is a system used by lenders to gauge the credit-worthiness of potential borrowers. The system weighs five characteristics of the borrower and conditions of the loan, attempting to estimate the chance of default & the risk of a financial loss for the lender.

The 5 Cs of credit are:

- Character**- the applicant's credit history
- Capacity**- the applicant's debt-to-income ratio
- Capital**- the amount of money an applicant has
- Collateral**- an asset that can back or act as security for the loan
- Conditions**- the purpose of the loan, the amount involved, and prevailing interest rates

Role Play:

- ◆ Nominate 2 volunteers
- ◆ Outline a scenario where two characters are applying for credit and will ask who is more likely to secure credit to the batch after they have presented their role play
- ◆ Volunteers are free to choose a scenario of their own
- ◆ After the role play is done, summarise the 5Cs wrt to the act



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 26, 27

What is Credit Worthiness?

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The slide features a woman in a yellow and orange sari standing next to a large blue circle containing the text 'संश्लेषण' (Synthesis) and 'क्रेडिट' (Credit). There are also three small circular icons on the left showing people interacting with financial documents.

5Cs of Credit Worthiness

- Character** - the applicant's credit history
- Capacity** - the applicant's debt-to-income ratio
- Capital** - the amount of money an applicant has
- Collateral** - an asset that can back or act as security for the loan
- Conditions** - the purpose of the loan, the amount involved, and prevailing interest rates.

The slide features a woman in a blue and white sari sitting on the floor, looking at a large orange letter 'C' that is part of a circular graphic.

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Session 5: Credit Bureau and Credit Score

- ◆ How is credit worthiness calculated and who does it?

Credit Bureaus, also known as credit reporting agencies, do three things:

- ◆ Compile individual credit history based on individual credit accounts, using individual Social Security number or other identification information.
- ◆ They provide credit information, in the form of credit reports, to lenders and creditors to help them determine your credit-worthiness.
- ◆ They also provide credit reports to you, so you can better understand your credit situation. Your credit history, including factors such as your payment history and your amounts owed, are used along with other factors to calculate your credit scores.

There are 4 credit bureaus in India –

- TransUnion CIBIL, Equifax, Experian and CRIF Highmark.
- Credit Score is a number between 300–900 that depicts a consumer's credit-worthiness.
- The higher the score, the more credit-worthy a borrower presents to potential lenders.
- Your credit score is based on your credit history, number of open accounts, total levels of debt, repayment and transaction history and other factors.
- Although ranges vary depending on the credit scoring model, generally credit scores from 580 to 669 are considered fair, 670 to 739 are considered good, 740 to 799 are considered very good, and 800 or higher are considered excellent.
- Generally, higher the credit score, better the chances for getting loans or credit support and sometimes lower interest rates as well.



Facilitator Notes:

Proceed by explaining the concept in detail

Slide 29, 30, 31

Credit Score

- Credit Score is a number between 300–900 that depicts a consumer's credit-worthiness.
- The higher the score, the more credit-worthy a borrower presents to potential lenders.
- Your credit score is based on your credit history, number of open accounts, total levels of debt, repayment and transaction history and other factors.
- Although ranges vary depending on the credit scoring model, generally credit scores from:
 1. 580 to 669 are considered fair,
 2. 670 to 739 are considered good,
 3. 740 to 799 are considered very good, and
 4. 800 or higher are considered excellent.
- Generally, higher the credit score, better the chances for getting loans or credit support and sometimes lower interest rates as well.

Credit Bureaus

Credit Bureaus, also known as credit reporting agencies:

- Compile individual credit history based on individual credit accounts or other identification information.
- They provide credit information, in the form of credit reports, to lenders and creditors to help them determine your credit-worthiness.
- They also provide credit reports to you, so you can better understand your credit situation. Your credit history, including factors such as:
 - Your payment history
 - Your amounts owed, are used along with other factors to calculate your credit scores.

So far you have learnt

- Terms of Loan
- Billing and Repayment Cycle
- Financial Discipline
- Credit Worthiness, Credit Bureau and Credit Score

Let's list your learnings

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**

Recall Activity:

- ◆ Write down the questions on the board
- ◆ Instruct the participants to give chorus answers to the following questions:
 1. A typical billing cycle of a credit scheme lasts anywhere between ___ to ___ days.
 2. You should run up your balances to your credit limit - True / False
 3. _____ refers to how well you are able to confirm your spending and saving to the plans that you have set to achieve your monetary goals.
 4. What are the 3 steps to achieve good financial discipline?
 5. _____, is termed to show how 'worthy' or deserving one is of receiving credit.
 6. What are the 5 Cs of credit? Share your response with full definition of each C
 7. Name the 4 credit bureaus in India
 8. Share the range of credit score and the level of credibility they hold

Conclusion:

- During the activity, summarize the answers after the participants have shared their response
- Clarify doubts during the process
- Let participants share feedback



Facilitator Notes:

Answer key:

1. 20 & 45
2. False
3. Financial discipline
4. Make a Plan
Use Automation to Boost Discipline
Be Accountable for Your Spending
5. Credit-worthiness
6. The 5 Cs of credit are:
 - Character- the applicant's credit history
 - Capacity- the applicant's debt-to-income ratio
 - Capital- the amount of money an applicant has
 - Collateral- an asset that can back or act as security for the loan
 - Conditions- the purpose of the loan, the amount involved, and prevailing interest rates
7. TransUnion CIBIL, Equifax, Experian and CRIF Highmark.
8. Credit scores from 580 to 669 are considered fair, 670 to 739 are considered good, 740 to 799 are considered very good, and 800 or higher are considered excellent.

After the session is over, distribute the feedback forms shared in the **Annexure > Training Feedback Form**

Note: To evaluate your training, fill the form; refer to the **Annexure-II > Trainer self-evaluation form**