

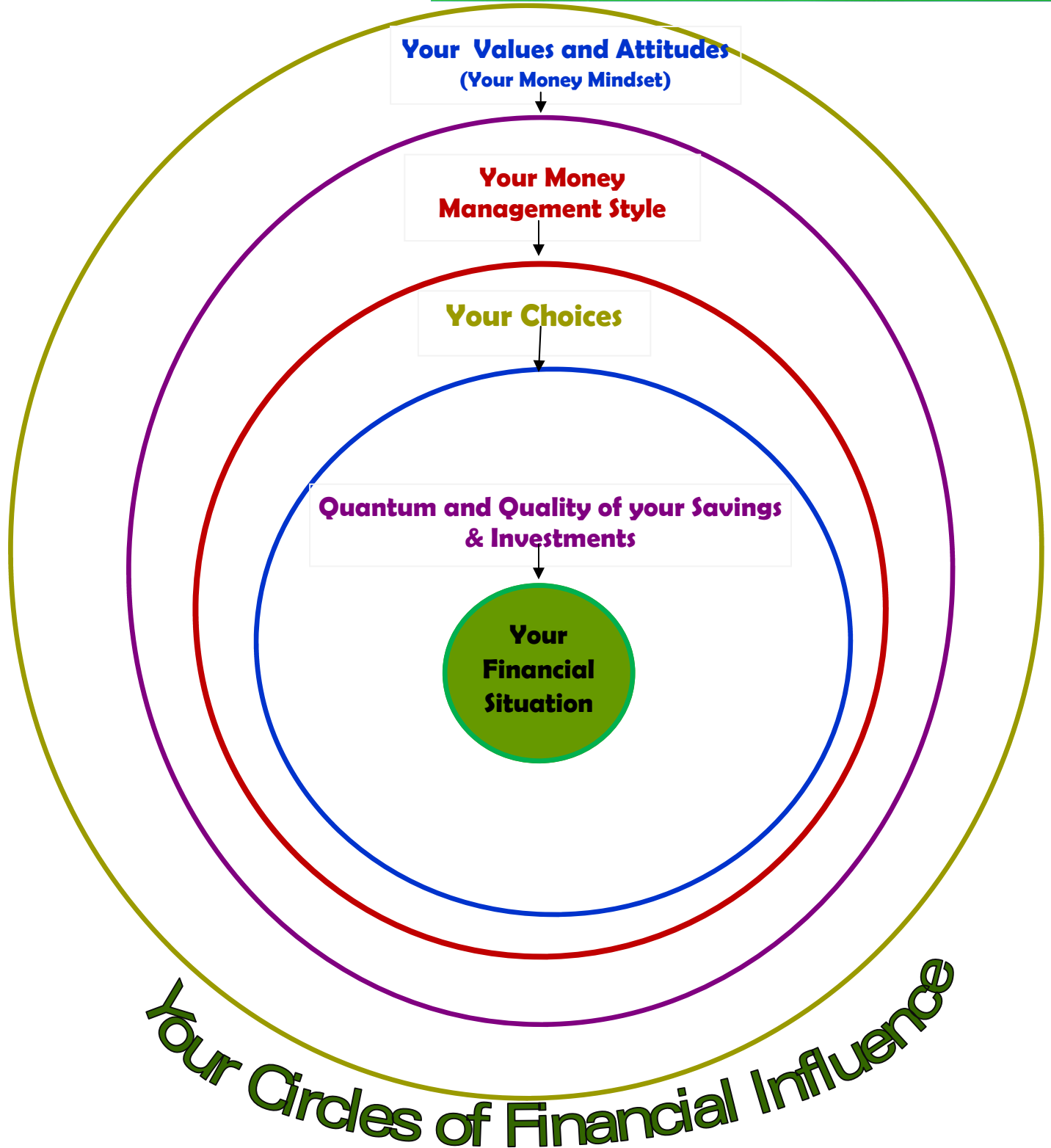
MARCH 2012

Staying Connected

For the Alumni of the ECCB
Savings and Investments Course

YOUR FINANCESYOUR FUTURE

**YOUR FINANCIAL
NEWS**



Examine Your Circles of Financial Influence

Nurture Your Financial Strength



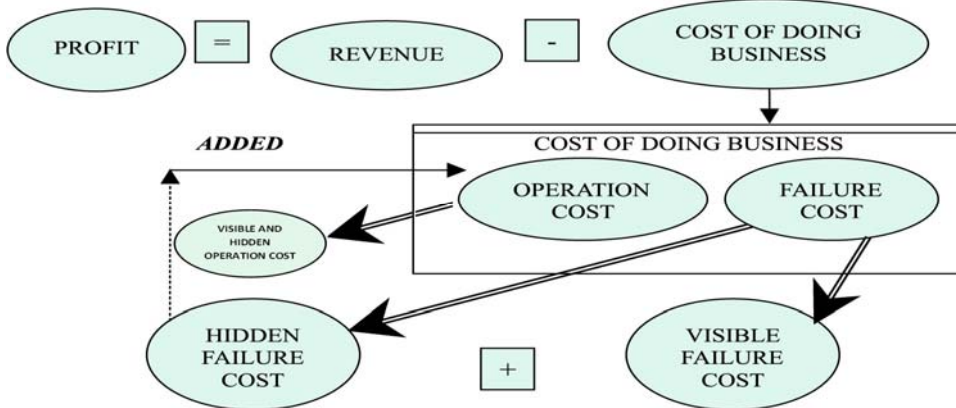
If at the end of the first quarter of the year you are still not fully satisfied with your financial situation, list your financial circles of influence and examine which circles need to be fixed, strengthened or expanded.

With all the challenges you face in your daily life - family, *work, social commitments, etc.*— it might be tempting to ignore the warning signals that your finances may not be up to par. Ignoring today's warning signals can lead to the creation of major financial dilemmas tomorrow. Recognise that there is power in strengthening your finances **NOW!**

Choose Not to Fail In Your Finances!

Your financial situation is the sum of all your financial choices.

The Cost of Operating a Small Business



It is not farfetched to question whether some micro and small businesses are really profitable. The focus here is on Profit, not money to pay the bills or provide the owner with a modest salary, but rather **what is left when everything has been paid for and everyone has been paid. That is PROFIT!**

Consider a small business where the owner sells fruit bowls from her car for \$10. She delivers the goods to a relatively small customer base scattered across the town area and the outskirts with no explicit cost tagged onto the bill for delivery. Factor in the costs associated with petrol, vehicle wear and tear and overall maintenance etcetera; you will get a true sense of the hidden cost involved in the sale of the fruit bowls. Notice that we have not yet begun to add the cost of the fruits, the bowls and the time and cost consumed in the procurement and preparation of the final product. Additionally, these costs (*visible and hidden*) have to be spread over a very small volume. Therefore, the visible and hidden cost per unit of sales can be significant.

A similar diagnosis can be applied to many other micro and small businesses. This points to the need for business owners to adopt a more precise method of calculating their total cost structure to inform their business output and pricing strategy.

I recall asking a small business owner, who cooks and sells food, about the cost allocated to seasoning. The response was that there was no cost, because the business used whatever seasoning was available in the home. The same explanation was given for the lack of a cost attributed to the cooking gas, electricity and other 'hidden inputs'.

Here lies the source of the cost leakages for many micro and small businesses and the reason why many are unable generate a profit and stay in business over the long term. The true costs of doing business are not known and so they are not counted.

Many micro and small businesses focus on cash flow rather than profit. Their sales generate a steady

flow of cash. The mistake here is failing to understand that a business can have a strong cash flow and be unprofitable due to input costs or overheads being too high. So while profitability without cash flow is a recipe for disaster in the long term, "cash flow without profitability is a terminal condition".

Businesses exist to make profit and small businesses have to think about profit if they want to be successful i.e. profitable. Such profit considerations are the reason why businesses tag on a delivery fee or have a minimum order size. Their mantra is simple; the dance must be able to pay for the lights and contribute to their profit targets in order for the dance to start.

So if you are in a small business and you don't want 'the business lights to go out'; count all costs. The cost associated with printing flyers to advertise the business, costs associated with samples and give-aways, cost associated with deliveries, gas, electricity etc.

And the last cost a business must never forget is the cost associated with doing BAD business. Many small businesses cut quality corners to the detriment of their product/service. Consider that the first sale with a displeased customer can be the business' last sale with that customer. Keep adding to the number of displeased customers and you have guaranteed a way to put out your 'business lights'. **SLW**

Go BOLDLY

Where no one has gone before

By Mr. Denis Noel, Manager, Noelville Ltd,
Entrepreneur and Manufacturer of the Nut-Med Pain Reliever Spray

Grenada needs to develop new strategies to advance economic development. As a people we are more consumers than producers and therefore more people need to get into the role of being an entrepreneur.

We all have creative ideas but lack the self-confidence in going forward on the ideas. We need to identify sound areas that can make us more self-reliant as a people. We must ask ourselves *'Why must we be so dependent on the outside world for our basic food needs based on the tradition left behind by colonial masters, in our continued importation of basic food e.g. wheat flour, Irish potatoes, rice and other consumer items.'*

It is time that we look inwardly. But we need people with vision who are

prepared to look into innovative ideas and take risks when necessary. Risk taking must of necessity, be calculated risks. That is presently lacking and that is why so many of us look for jobs rather than be creative in our thinking as the way forward.

Many of us are setback by thoughts that we need money to be an entrepreneur, but what are more important are ideas that are developed through creative thinking. Many big businesses in the world today started very small e.g. KFC which started in someone's kitchen is now a multinational company. In my case, I started in my bedroom with my nutmeg product, then moved to the kitchen and ended up in my garage.

We must also work with a

philosophy that says start small and let the success of the product pay for its expansion. If people are good with ideas think along this line. Then we will have more entrepreneurs and producers in this country. Several ideas come to mind that we can get involved in:

- Production of organic fertilizer-raw materials go to waste everyday e.g., the waste from the de-bushing program, chicken and pen manure can be processed and pelleted into organic fertilizer which can be used locally and therefore stop the importation of fertilizer. In turn we can be exporters of fertilizers and earn foreign exchange. This is especially important as the world is going in the organic direction in agricultural production.
- At present bamboo and other non-economic trees are growing in abundance in Grenada. We can get some

value from these non-economic plants by seeking assistance from the Chinese who are experts in bamboo handicraft. They can train our youth in the art of making handicraft products out of bamboo which will enhance the products offered by Grenada to tourists.

- The next and most neglected sub-sector in Agriculture is the herbal sub-sector. Grenada has an abundance of herbs similar to India which lies in the same geographic zone. Herbal remedies can cause us to more self-reliant, self-sufficient and provide better health care for our people. If we develop the herbal sector and do the necessary research to take care of our people, this will encourage business development in herbal sub-sectors with the promotion of remedies that can get rid of cancers, diabetes and pains. This will shift us from our present reliance from the major pharmaceutical companies who do not always have the answers to our health problems.

- In terms of food, at present we are the primary producers of our indigenous food and agricultural products. We need to get into secondary and tertiary production. We have been growing and exporting nutmeg for over 160 years and doing the same until recently we have started being tertiary producers to some extent e.g. the Nut-Med Spray. The same goes for cocoa where we export the raw product and import the finished product. We need to get more involved into doing more to process our cocoa and export the raw product and also finished products. We must not always look to the Government to take the initiative on this processing of our raw materials. We the people have to become entrepreneurs and pool ideas and resources together. If there is dragging of feet, go it alone and have confidence in your product.

- We continue to export and re-import fruits and vegetables. A classic case is that we export our fruits

to Trinidad, who due to their fruit fly problem do not have much fruits at present. We in turn import the juices from our fruits from Trinidad. We also send some of our pulped fruits to Barbados and re-import the juices e.g. Pine Hill Dairy brand.

- We all have skills and natural resources. We need to come up with ideas how to convert all our waste product into manufactured products, because the weeds of today can well be our economic future. Do not let the lack of money be a deterring factor. The funds always become available once it is a good viable project.

The foregoing speech was delivered at the graduation ceremony of the 1st cohort, ECCB Entrepreneurship Course, Grenada.

Celebrating 21 New Graduates- ECCB Entrepreneurship Course, Grenada

Graduate Remarks presented by Nathalie Bartholomew
27th March, 2012



A pleasant good evening to Dr. Denis Noel, our Guest Speaker; Mrs. Linda Felix Berkley and Ms. Valene Streete of the ECCB; facilitators Mr. Osmond Drakes, Mr. Louis Williams; Mentor, Dr. Desmond La Touche; Graduates; all.

I feel humble, yet honored to speak to us this evening, as we gather to celebrate the completion of the fundamentals of operating a small business successfully.

First, I would like to thank God for granting us the opportunity to share this

experience. Mrs. Linda Felix Berkley and her team at the ECCB Agency Office for their hard work and dedication; foresight and vision in implementing this Business Course in the face of the current economic challenges.

Our Facilitators and Mentors for their useful, informative and inspiring sessions that heighten our interest in entrepreneurship as a goal and promoted best business practices among small businesses.

It is said, **“If, you do what you’ve always done, you’ll**

get what you’ve always gotten.” But today as aspiring and prudent entrepreneurs we are happy for the stepping stone to our future that this course has given to us, both in the theoretical and practical sessions.

We started the course on 8th September, 2011, with the module ‘Developing the Mindset of an Entrepreneur’ which focused on identifying the qualities as well as the traits and characteristics of a successful entrepreneur.

The course concluded on 8th February, 2012, ending with a focus on preparing our businesses for growth. We examined the various types of growth within the business, placing emphasis on the development of a growth plan for business activities such as – human and capital resources as well as information technology.

Many of the valuable lessons learnt in this course, came through the group work. We were given the opportunity to create a viable business, and a plan for the Business, carry

out an Interview with a reputable financial institution to seek funding for the Business. Although there were many hindrances in executing this practical aspect of the course, I have gained a full understanding of processes as well as the legal and technical jargon - the fine prints.

Friends, graduates as we step out to meet the world with our minds prepared and our skills tuned, I urge us to set our direction with a positive attitude and strong spirit.

This course has taught us that running a business means dealing with uncertainty, taking calculated risks, sacrificing personal time and pleasure, in addition to, working long hours for years, sometimes, before any sign of a big pay off. We have also been warned of the toll businesses take on relationships, families and personal finances.

It is therefore essential, that in the pursuit of our dreams as entrepreneurs, we cultivate and be guided by two principles that were taught to

us on the very first day, “

Permanent Changes require Permanent Decisions.

Record keeping is the most important part of a successful business.

Coming from diverse back grounds and professions, the knowledge and dynamic training we received have enriched those of us who are already in business and is an excellent approach for those seizing the opportunity to start their own businesses. Some of the excellent supporting instructions which have been tailored, with the aim of satisfying our individual needs included topics focused on:

- Creating the Right Business Structure;
- How to Write a Good Business Plan;
- Financing
- Small Business Loans & Lending Institutions
- Networking; and
- Facing Adversities in Small Business

Fellow graduates, the first and most important thing you need to acquire in order to succeed in any business is knowledge. Being prepared, whether, you intend to continue as an Entrepreneur, or not, makes you more suited than others to running a successful small business.

Finally, it is my hope that the friendships and the business contacts that we have made, through this course, will help each other's business to take a leap. I look forward to the continuation of our Business project and support for each other's business in the future.

Jack Welch said:

“Good business leaders create a vision; articulate the vision; passionately own the vision and relentlessly drive it to success.”

I urge each one present here to be the relentless driving force in your business, and I wish you the very best, Entrepreneurs. Thank You .

In all realms of life it takes courage to stretch your limits, express your power, and fulfil your potential... – Suze Orman

Inspired by the best in business to be the best



Participants of the 1st ECCB Entrepreneurship Course, Grenada with Marketing Consultant and course facilitator, Jude Bernard (standing and dressed in striped polo)

SMILE
Your Way to
Success

Participants of the 2nd cohort, ECCB Entrepreneurship Course - St. Kitts, February 2012, enjoying the discussion on 'Effective Decision Making in Teams' facilitated by Mr. Analdo Bailey, CEO, Eastern Caribbean Institute of Banking and Financial Services (ECIB).



Participants of the 2nd cohort, ECCB Entrepreneurship Course - St. Kitts, March 2012, enjoying the discussion on 'The Mindset of an Entrepreneur' facilitated by Ms. Judith Rawlins, Founder and CEO, Brown Sugar Designs Inc.

SMILE your way to success

Smile is an acronym for the five types of entrepreneurs. You may be a hybrid of more than one. Knowing your profile is important to maximize your chance of success and happiness

- * **S** is for **System**, someone who is happy to buy into a proven formula and work it.
- * **M** is for **Money**, for those whose only measure of success is money in the bank (*not what you buy with the money*).
- * **I** is for **Innovator**, the creative among you who enjoy developing new ideas.
- * **L** is for **Lifestyle**, for those who want to work with their hobby.
- * **E** is for **Empire** builders who want power and influence and to see their brand everywhere.

"Teach Yourself Entrepreneurship" by Alex McMillan