

July 2010

*Staying Connected*

For the Alumni of the ECCB  
Savings and Investments Course

YOUR FINANCES .....YOUR FUTURE

YOUR FINANCIAL  
**NEWS**

# Leap Into YOUR SUCCESS

**Challenges in Operating a  
Small Business and  
Lessons in Overcoming  
Them.**

## NOW!

ALL STOCKED OUT

After the ECCB Savings and Investments Course  
My money I started to save

When I looked again at my bank account  
it began looking like the ocean's wave ...

Roaring with interest  
and then I wondered what must I do with it.

And boom! A bright idea came to me, it was not  
in vain

Invest in stocks for a rainy day.

So now I am all stocked out, with investments in  
TDC, National Bank and Cable and Wireless now  
known as Lime

I learned these lessons just in the nick of time.

by graduates  
ECCB Savings and Investments Course  
Cohort 12-St. Kitts

**PREPARING FOR A  
LAYOFF**

A case study on how to  
prepare for the financial  
storm.



We pledge to let the  
light of our newly  
acquired financial  
knowledge shine for all  
to see and learn.

Graduates, ECCB Savings and  
Investments Course, Cohort 12  
St. Kitts

**WORD UP...**

Perspectives from a  
facilitator and graduates  
of the ECCB Savings and  
Investments Course.

# What's Stopping You?

October is Financial Information Month: "Make Your Dreams a Reality- Save and Invest Wisely"

## Facing The Challenges In Small Business and Lessons in Overcoming Them

Presentation to Graduates, ECCB Savings and Investments Course, Cohort 12, St. Kitts, 19 June 2010

by Kachi Armony, Manager, Tech Sperts



In addressing the topic **“Facing the Challenges in Managing a Small Business**

**and Lessons Learnt”** I intend to identify those challenges faced in managing a small business at least from my perspective and then focus on the lessons learnt and then link those lessons with the challenges identified. The lessons speak to how to go about properly addressing and resolving those challenges.

### CHALLENGES

1. One of the major ones I find especially in small island developing states is **not only identifying opportunities but more importantly putting in place the mechanisms to capitalise on the opportunities identified.** I think, a lot of people are really good at ideas but the tough part is really packaging and getting it right to facilitate implementation. I have found there are certain things that one has to think about to get this done.

2. Another challenge is **access to market data** especially in the planning stages. There is some macro data available but to actually target certain sectors there is not really a whole lot of data that is available and not a lot that is accurate.

3. **Accessing capital.** That is a tough one for businesses especially in this economic environment, but there are ways to get around that.

4. **Weak support for small business especially in the area of technical assistance.** People who want to open small businesses really need to be hand-held through certain aspects and the reality is that there is not a lot of help available. There is no one-stop shop to go to such as a business incubator type organisation that provides assistance. I think this is something that needs to be developed if we are to develop our service sector and get persons involved in service-oriented businesses.

5. **Little or no representation for small businesses.** In St. Kitts there is no small business association. There is the Chamber of Commerce but it tends to be perceived as representing the big boys and to some extent that is true. So that lack of representation is a challenge.

6. **Getting the right people and keeping them.** Of course, this is a challenge for most businesses. This is something that would probably take up about 40% of your time as a business owner or manager.

7. **Keeping the big picture without letting the small operational items get in the way.** That is something I have been a victim of and it is something that you have to be aware of, especially if you are the visionary in the business. You have to keep the big picture going. Yes, you have to keep tabs on small items and the operational aspects have to be accountable but you have to keep that big picture focus if you are to move forward.

8. One of the trickiest challenges is **the expansion challenge.** How

to build capacity and expand to take advantage of new opportunities while maintaining current commitments *i.e. what pays the bills at the end of each month* and performance levels. That is a very difficult challenge. It is like moving from the one man type operation to the next step – *having five or six employees.* How do you tackle that? And there are a lot of issues that feed into this – *access to financing, access to technical assistance, etc.*

This is a synopsis of the challenges that I see for small businesses. Now allow me to reflect on the lessons learnt.

### LESSONS LEARNT

**THINK BIG** We have a tendency not to think big. **You need to start thinking big.** This is important especially in the context of globalisation. Just today I read an article on [winnfm.com](http://winnfm.com). **“OECS Begins Transformation into Single Economic Space”** and I was like ‘*wow... Opportunity!*’. Unfortunately many persons’ initial reaction is to put up resistance to integration. They think *“We are going to be threatened”* ...No. The first thing that should come to your mind is *“How do I take advantage of this? How do I leverage my present situation? How do I access the things that I need to access to possibly expand, possibly partner with others?”* and so on. Part of the problem is that we tend to think within the context of our Federation and not enough outside. That is a function maybe of our small size.

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But the reality is we are part of a bigger pond - the OECS, the Caribbean and if one looks at it from a global context, the world. Technology has provided the tools for us to connect to the global market. We now have the ability to engage vendors from anywhere. We can buy goods directly from China, Brazil or wherever for that matter. So we need to start thinking not just of St. Kitts-Nevis, but the OECS, the Caribbean, the Western Hemisphere and the world.

But to do this we need to understand our businesses to realise the potential that this new economic space brings to our business...that ability to access a greater market.

So I think we need to think bigger, consider a greater scope when we develop our businesses and look into the future to see how our businesses can evolve.

**You really have to be an evangelist,** an inclusive evangelist. You have to communicate the long term aspirations of the business clearly and passionately to your employees and keep them in the loop along the way (*of course once it is appropriate*) because if they feel that they are a part of it and understand and see your vision and see the long term vision of the company they tend to come on board more easily. And, if you are inclusive...that is if you allow and invite them to contribute to ideas, that would foster a sense of ownership in the company.

In my small company that has contributed significantly to the morale of the employees that want to be there. There will always be employees that are not on board no matter what you do but certainly the ones that see and recognise the vision will assist and work towards its attainment.



**Network, Network, Network.** That is one of the key lessons in running a business. Get a social life, quick! Lose that shame box, quick! You really have to go out there and meet people. It is amazing to see how many fruitful business relationships have been initiated at a cricket match, or at a restaurant, or when slamming dominoes or even having a beer at a bar. I am not saying you have to take up drinking, but you have to be socially aware and approachable. Learn how to smile. A smile goes a long way. My wife taught me that.

You have to be out there. Join a civic organization—Lions Club, Rotary, a professional organisation in your field, a community based organisation, a church. The more people you know, the more people know you. The more people you know, the more people you can potentially partner with, more clients you have access to, more people you can do business with.



Subscribe and participate in online discussion groups in your field. Try as best as you can to travel to regional and international business seminars, conferences and workshops in your field. It is amazing the contacts you can make.

Engage with government entities that may see you as a private sector resource and they may send you to some of those conferences as their representative. **Don't limit yourself politically.** The reality is that to have a sustainable business you have to be fairly neutral so try not to limit yourself party politics wise.

Once you get those networking things down-pat you will feel the pulse of your country, your market, your customers, your vendors... and that will lead to better decision making. You will get wind of opportunities much faster than your competitors, simply because you had a beer with the guy last night who was in the midst of implementing something that has not even gone out to bid yet and you just happened to hear about it. And, yes you have to go through the bidding process but you would be more equipped than your competitor because you would have had the information ahead of time.

**You have to be a career student.** You have to have that mindset that you always have to be constantly updating yourself in terms of your knowledge in the field that you are in. Education is an ongoing process. You also have to tap into the resources of older and very progressive business people who are willing to tell you about their trials and tribulations that they went through in establishing their business. You don't have to re-invent the wheel. If someone has gone through certain things, and they have very good information for you and they explain how they went about it....it

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may not apply in this particular environment but it is education... don't take it for granted.

To be constantly evolving and educating yourself you have to be somewhat humble and appreciate that you do not know everything. You have to appreciate your weaknesses and work on them. And if you have the resources in your company to let someone else take over certain operational areas that you are not good at, then do that. Focus on the stuff that you are good at.

**You have to stay focused.** It is very easy to get sidetracked. An opportunity may come up and you drop everything to pursue it. Then you find out later that the party can't pay for the lights and all of a sudden - **want all, get none at all.** So you have to stay focused and you have to keep plugging away at what pays the bills. Especially when it comes to expansion opportunities, you have to have your fingers on the pulse of the business and understand what resources can be allocated to tackle those new opportunities, but not at the expense of your current business.

One of the things that I really figured out is that **you really can't do it on your own...** I did the one man show thing for a few years and I discovered that I could not continue doing that and expand at the same time. And I was fortunate at that point in time to meet with Delisle Walywn and we were able to

launch Tech Sperts which really came out of an IT consulting one-man show that I operated. You really have to realize, especially when you are looking at new opportunities and trying to tackle them, you can't do it on your own...Partnership is where it is at and some of these partnerships can address the financing challenges you are going to have.

Now, partnership is a tricky thing. A lot of people in the Caribbean do not trust partnerships. We tend not to work well together. It is something in which we have to find a balance. Seek out someone you know and who shares a similar ambition like you.

Of course there are the obvious lessons...**know your market, your customers, your competitors and especially the niches not addressed that you have the capacity to address.**

One of the things that I realised earlier this year as I was looking for new opportunities, possibly expanding product and service lines is that I had all of these retainer customers that I was providing services too but there was a whole lot of other services that I was not offering them. And so I thought, *'why spend additional funds on marketing to try to get new customers when I could target current customers and offer additional services without spending additional marketing funds?'*

So you have to understand the various niches that your customers

have and plug away at what you can get. And, if you have good relationships with your customers try and capture additional business in areas that initially you had no plans to venture into but because you have that customer on lock down go ahead and take that business.



And of course **you have to know some business fundamentals** - accounting, finance, human resource management, marketing. I hope this course has provided knowledge in some of the areas. With my background being in computer science a lot of those areas I had to learn on the job, since I had jumped into the consulting business very early. So I had to tap into some good resources to acquire the knowledge that I have today.

There are several courses on line for free. You can do university level courses from MIT for example on the Internet for free. The resources are there.—lectures, audio, video, tests. **There is no reason why you can't advance yourself with education.**

So those are my lessons. So how do we attach those lessons to the challenges?

**Know your market, know your customers, your competitors and especially the niches not addressed that you have the capacity to address.**

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### LINKING THE LESSONS TO THE CHALLENGES

The challenge of identifying opportunities - **Think big!** You have to think big. And you have to realise that you can't do it on your own. You have to think big, but also ensure that you have the technical assistance to address your big plans effectively. You have to network and know people. The ability to take advantage and capitalise on these opportunities is linked to developing partnerships and networking.

The challenge of accessing accurate market data. Well that is what networking is all about. You have to get your own market data. You have to feel the pulse of your country, your market, your customers, your vendors, your competitors. You have to go out there and socialise and figure it out for yourself. It would be great to have a think-tank providing all these statistical information for you but the reality is that that may not happen very soon.

The challenge of accessing financing. You have to be an evangelist in expressing your business ideas to potential investors. I had to pitch Tech Sperts to Delisle Walywn. I had to develop a business plan and projections. I had to convince them of the vision I had for the business. You really have to be passionate about your business idea to convince a banker to lend you money or to give you a two hundred thousand overdraft to operate. Networking is good but you have to be able to sell your company and sell it big.

The challenge of weak support for small business - You resolve this through your networks; personal and professional. Your relationship with government entities, private sector organisations and professional organisations. It is really about relationships and it might be that you may find a way to facilitate the development of a small business association. That would be great!

The challenge of getting the right people and keeping them. That is where your evangelist skills come into play. You not only have to be able to sell your concepts, ideas and vision to bankers and investors, you also have to be able to sell those to staff. They have to be on board, they have to feel that this is my idea too. But you also have to be realistic. You have to be able to identify the staff to keep and the staff not to keep. Some staff keep back an organisation and you have to be tough enough to deal with that. But networking also comes in to play. Network and get to know who is out there and who is available that you can offer a job.

The expansion challenge - It is a challenge. You have to think big, You have to put the numbers together properly and you have to be an evangelist in pitching the new idea to your banker. You also have to ensure a balance between current operations and the new ventures, and show that you have a succession plan that links both. But you also have to think about partnerships as a response to the expansion challenge. I think the OECS is ripe for partnerships

right now because as small islands we simply do not have the economies of scale. If a business person can approach a vendor and say "I represent the OECS". That is certainly more attractive than saying my market is St. Kitts Nevis with 40,000 persons.

Small businesses require a substantial amount of work. You have to be willing and prepared to put in the time and energy. It also requires having a supportive family because it does take a bit of time to get to the point where the workload is manageable. But it is also very rewarding because you have to get involved in every little detail to understand the business. When you see things starting to take shape and when you see the morale of your staff at the level where it needs to be where persons are looking forward to coming to work every morning, that is a good feeling. But it does take a lot of work.

In closing, let me emphasise that it is very important that business owners and prospective business owners tap into all of the training resources and education opportunities available. The practical is important but the theory is also equally important.

**We have to make use of all the tools to get us to where we want to go.** ●



# Preparing For The Layoff

*A Fictitious Case Study That Highlights Key Steps in Preparing for a Financial Storm*



Brian Duncan, a father of four (ages 7, 10, 12 and 15) is the sole breadwinner in his family. His wife, Jane is a homemaker.

sought help from his banker and was able to negotiate a more manageable mortgage payment plan. He began taking courses in masonry to prepare for a career change when the factory closed, he also began to apprentice on the weekends with a local contractor to accelerate his learning process.

money towards the payment of his CXC exams.

The family also reviewed their expenses and identified areas where they could cut back on spending. This included an elimination of many items which were wants and not needs. Their new spending decisions included:

- visits to the library for story books instead of purchasing them;
- opting for low cost nutritious meals and using left-overs to make snacks;
- making juices from local fruits as opposed to purchasing box juices for snacks;
- placing limits on their local telephone calls and barring access to long-distance and cellular calls.

Brian is facing a major financial crisis; at 50 years of age, he is dealing with the impending closure of the factory where he worked for the last twelve years as a driver. He has a balance of \$55,000.00 on his mortgage and is a month behind in his payments. The funds were diverted to pay for a medical operation for his 12-year-old daughter Ann.

He took the advice of his banker and held discussions with his family about the finances. The family came up with a plan.

Jane would return to work next month as a nurse's aid, a move that would generate an additional \$1,200.00 per month. By going back to work, Jane would also get access to the government's medical insurance plan which would provide coverage to her and her family.

Brian contemplated his situation and felt totally defeated. His mortgage was behind, his son would be asking for money to pay for CXC exams within the next six months and the factory would be closing in nine months.

Jane's net income would go towards a savings account and would only be used to pay for emergencies or mortgage payments during the period when Brian would be looking for a new job after the plant closed. The family rationalised that it would take Brain between one to three months to get settled in a steady job. Further, Brian promised his family that even if he did not get a job as a mason he would do several odd jobs to earn an income until he could find the steady job he desired.

They then created a financial vision and goals for themselves and measurements of success which they posted on the refrigerator.

While venting his frustration to his church pastor, Brian was encouraged to make an appointment to see his banker and discuss his financial situation. The pastor also told him to make enquiries at the Ministry of Education and Social Affairs as to any available free courses being offered to adults.

The Duncans committed themselves to hold monthly discussions on their progress made towards realising their financial goals. **SLW**

Following the advice, Brian

The oldest child Tom would do part time work after school and on the weekends at the supermarket to earn

This case highlights key steps to follow in dealing with an impending layoff:

- Talk to your banker.
- Learn new job skills.
- Involve the family in creating a financial vision and plan.
- Cut back on unnecessary expenses.

# A Facilitator's Perspective by Thomas Anthony

*Learning while Teaching*

*Presentation to Graduates, ECCB Savings and Investments Course, Cohort 7, Antigua and Barbuda, 26 June 2010*



I wish to thank the Eastern Caribbean Central Bank's Resident Representative, Mr. Albert Lockhart, for affording me the opportunity to address you from the perspective of a facilitator. I do not purport to represent the views of all the facilitators but rather share my experience as it relates to the ECCB Savings and Investments Course.

This installment of the Course represents my third year with the programme and I have quite enjoyed teaching, seeing individuals experience an "investment epiphany" whilst learning from the participants in the process. It is also heartening to see the Course continuing to include more participants from outside of the financial sector. Over the years persons have shared with me their knowledge growth from a basic understanding of bank products such as savings and loans, prior to participating in the course, to a fundamental understanding

of securities products and the role they play in the "financial planning life" of the average investor. Many have reported continuing to research long after graduating. Also notable are the reports of graduates applying their new found knowledge in their everyday lives. Preparing and adhering to a budget for the very first time, looking at their income first and then determining the resulting expenses, being sure to include a certain line item previously ignored, Savings, as opposed to the too often approach of spending more than we earn on a monthly basis.

Being the facilitator of the modules 6 and 9 on this occasion, I tend to be presenting to a rather enthusiastic group armed with new information and eager to show it, resulting in healthy discussions and challenging questions posed. This cohort, in particular, saw aggressive discussions and positions taken on different sides, all in the spirit of learning whilst teaching. Some of you have shown some interest in starting investment clubs; others have expressed a desire to change careers requesting guidance as to how to start on a Financial Advisor path. I encourage you to continue to take decisive and determined action to achieve

your goal. Please feel free to call on me; I am willing to assist in any way I can or guide you in the direction of someone or institution that may be able to assist where I am unable.

As a proponent of the idea of "knowledge is power" I fully support the Eastern Caribbean Central Bank Savings & Investments Course and commit my time for as long as they will have me and I am physically able. I believe that this course is good for the individual, the financial sector and the economy of Antigua and Barbuda and the OECS in general. The more knowledgeable consumers/investors we have, the more likely we will have sound financial decisions and less financially stressed individuals and families throughout their life cycle.

I wish to leave you to ponder on this maxim: "There is no teaching without learning. One requires the other."  
*Abraham Maslow.*



Albert Lockhart addresses the attendees  
ECCB S&I Course Graduation Ceremony, Cohort 7



## My Money Done

By: Godwin Wildman, graduate

ECCB Savings and Investments Course, Cohort 9- Grenada

My money done! Yes, it done,  
done, done.

Not long from yesterday

You know I did get pay

Now look at me now

I in town and all my money  
done!

I try all kind ah thing

None seem to be working

I want to start saving

Somebody say try investing

I can't help spending

The prices keep rising

Employers not paying!

I can't stop drinking

I want to quit smoking

Too many women I keep  
min'ing

Children I'm not supporting

And when I stop working

How would I be living?

The pension I'll be getting

Just can't buy nothing.

I think I need some counseling

To help me start managing

The two pence ah making;  
now!

Right now it's no fun, because  
all my money done.

*Facilitator Osmond say watch*

your pocket

Start with a budget

Make sure you do it

And for God sake please stick to  
it!

Old people always say to save

For coffin, casket and nice grave

*Facilitator Deon say no; invest*

Because for you that is the best

You worked hard for your money  
too

So why not let your money work  
for you?

A lesson I now learn

But again, all my money done!

*Facilitator Deon say it's not too  
late to start now*

I'll make a budget and stick to it

Some of my money I'll save it

Some I'll invest it

In bonds, in stocks, in companies  
with shares

He say I'll have money for years  
and years and years!

But wait, what did *Facilitator*  
Charlene say about investment?

Did you remember the big  
argument?

"Objection, Your Honor. I beg to  
differ."

"Company 'B' has a much more  
lucrative offer!"

Remember, remember

If it's too good to be true, it's  
probably not true.

I remember what *Facilitator*  
Andrews say

He say don't get carried away  
With nice car, nice clothes, nice  
hair, long holiday

And expensive living that can't  
match your pay

'Cause none of us old, middle  
aged and young

Would want to have the cause to  
say, "Oh God, all my money  
done!"



Group Photo- Graduates and Guests  
ECCB S&I Course Graduation Ceremony  
Grenada, Cohort 9

*"The key to everything is  
patience. You get the  
chicken by hatching the  
egg, not by smashing it."*

*Arnold H Glasgow*