

A handbook for training of disabled on rural enterprise development

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In collaboration with

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Table of contents

Foreword	v
Acknowledgements	vii
Abstract	ix
PART I. INTRODUCTION	3
Self-reliance through micro-enterprise development	4
PART II. TRAINING PERSONS WITH DISABILITIES	9
Considerations for training of rural disabled persons	10
Selecting trainees	14
PART III. SMALL-SCALE ENTERPRISE DEVELOPMENT	23
A. Before setting up a small-scale enterprise	23
B. Preparing to start the business	43
C. Managing the business	48
PART IV. SUCCESS CASE REPLICATION	57
Introduction	57
A traditional learning method	59
Strengths of the methodology	62
Limitations of the methodology	64
The nine steps of the Success Case Replication methodology	66
Summary of lessons learned	94
ANNEX	97

Foreword

There are an estimated 400 million persons with disabilities in Asia and the Pacific. Physically and/or mentally impaired persons constitute a major group of the most vulnerable poor in this region. A vast majority of persons with disabilities live in rural areas and many of them are small farmers who depend on the agricultural sector for food and livelihood security. A major cause of disability in rural areas is malnutrition caused by extreme poverty and food insecurity. In addition, more and more farmers are disabled by road or machine accidents due to mechanization and commercialization in the agricultural sector. Violence and armed conflict are another major cause of disability among rural people in the region. Rural people with disabilities must confront major barriers to achieve food security and sustainable livelihoods. Dominant social and cultural biases make it doubly difficult for them to overcome these hurdles.

A large majority of country-level rehabilitation programmes for disabled persons do not give due attention to the specific needs of small farmers. The Food and Agriculture Organization of the United Nations (FAO) has taken up the challenge of increasing awareness among policy decision-makers and the general public about the plight of rural persons with disabilities.

Pilot activities have been initiated to empower farmers with disabilities, including women, and make them economically self-reliant by developing their self-confidence and skills to become independent, small-scale entrepreneurs.

The FAO Regional Office for Asia and the Pacific provided regional and country-level support for the implementation of the Asian and Pacific Decade of Disabled Persons that ended in 2002. As part of these efforts, the FAO regional office provided technical assistance and coordination in FAO pilot project activities aimed at small-scale enterprise development by disabled farmers, based upon mushroom production, processing and marketing. FAO's technical assistance included provision of agro-processing technologies adapted to the needs of physically and mentally-disabled small farmers to help them become rural small-scale entrepreneurs.

FAO promotes enterprise development by disabled persons in the region, in collaboration with national governments, international non-governmental organizations and self-help groups of persons with

disabilities. In 2002, governments from the Asia and Pacific region adopted a new Action Plan for a Second Decade for Persons with Disabilities, called the Biwako Millennium Framework for Action 2003 - 2012. This framework describes the commitments of the Asian and Pacific countries towards the goal of an inclusive, barrier-free and rights-based society for persons with disabilities. FAO endorsed the aims and activities of the Biwako Framework. A major task now lies ahead for all stakeholders in achieving these goals, which, among others, requires enactment and enforcement of the proposed legislation. This, in turn, requires mobilization of the necessary political will for effective implementation of all the instruments already established in the first action plan 1993-2002, covering health, education, information/communication, training, employment and social services for disabled persons.

'A handbook for training of disabled on rural enterprise development' was developed to assist FAO member countries and support organizations in the training of disabled persons on small-scale enterprise development. It applies the lessons learned from the above-mentioned FAO technical cooperation project *Mushroom production training for disabled people* in northeast Thailand, as well as from the *Poverty alleviation through market generated rural employment* project that was jointly implemented with the UN Economic and Social Commission for Asia and the Pacific (ESCAP). Better known as Success Case Replication (SCR), the latter project tested a methodology to replicate successful experiences in village-level, micro-enterprise development by small farmers in eight Asian countries. This handbook has adapted the SCR methodology to the needs of farmers and other rural persons with disabilities.

This handbook is a practical tool for pilot activities, by FAO and other interested UN agencies and non-governmental organizations (NGOs), to empower rural people with disabilities as part of the implementation of the Biwako Framework commitments. It provides an adapted SCR methodology, references and check-lists, and identifies resources for use by specialized training centres, village development workers and other trainers on self-employment of disabled persons as small-scale rural entrepreneurs.

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'A handbook for training of disabled on rural enterprise development' is the outcome of the on-going collaboration between Wim Polman, Rural Development Officer of the FAO Regional Office for Asia and the Pacific, and specialized training institutions and other interested agencies within the region, aimed at improving livelihoods of small farmers and other rural persons with disabilities in Asia and the Pacific.

We would like to thank all those people who contributed directly and indirectly in the preparation of this handbook and express special appreciation to Sunee Saisupatpon, Head of the Vocational Development and Employment Subdivision from the Office of the Committee on Rehabilitation of Disabled Persons, Thailand, who provided case studies of mentally and physically disabled successful entrepreneurs; Kannika Saruasuan, Head of Education and Rehabilitation for the Blind at the Education and Rehabilitation Centre for the Blind in Roi-et, Thailand, who provided case studies and pictures of visually-impaired successful entrepreneurs; and Johanne Hanko who, since 1997, has been working as a technical specialist with the FAO regional office in the fields of rural development, disabled persons in agriculture and agro-industry and disadvantaged social groups. Over the same period, Ms Hanko has been associated with RAP in activities of the UN Thematic Working Group on Disability-related Concerns, which brings together UN agencies, NGOs and others. Working in Thailand for over 13 years, she is also an entrepreneur and specialist in environmental engineering and management.

Abstract

This handbook is designed as a guide for setting up a small-scale business. Although meant for persons with disabilities, it offers basic knowledge for successful business management and self-employment for all small farmers to help them in generating income and improving their quality of life. The handbook is divided into four parts.

The **first part** outlines the structure of the handbook. It explains the need for economic self-reliance for rural people with disabilities and how self-employment as a small-scale entrepreneur offers them a good alternative to being hired by another person. It evaluates the difficulties and advantages of this form of self-employment for a disabled person when compared to working for an employer.

The **second part** deals with the crucial aspect of the methodology used in training persons with disabilities. It outlines the importance of the attitude and orientation of the trainers as well as the steps in the process of training, from selecting, motivating and building the self-confidence of the trainees, to equipping them with the skills for starting and operating a small-scale rural enterprise. Disabilities differ in kind and degree and two persons with the same disability may have dissimilar abilities. This section stipulates ways of dealing with specific issues that can arise when training persons with disabilities and the need for follow-up action.

The **third part** reviews basic steps in the preparation and setting up of a micro-enterprise. It looks at the various challenges encountered by new micro-entrepreneurs and those that are specific to persons with disabilities starting a small-scale enterprise. It informs potential micro-entrepreneurs about selecting the right business, reviewing market demand and competition, choosing the size of their planned enterprise and the importance of location. It gives some direction on where to seek funding, resource organizations, where and how to select raw materials, and offers a checklist to verify feasibility.

Furthermore, it reviews the various components of marketing and guides potential micro-entrepreneurs through the various steps involved in running the business, including basic accounting, cash-flow and strategic timing for expanding the enterprise. Finally, it addresses

the advantages of training and explains how the *success case replication* methodology can and has been used as a tool for training persons with disabilities. Overall, it reviews the major steps in decision making and the need for technical know-how, marketing strategy development, access to credit and funding, accounting and management skills, and informed selection of raw materials.

This part does not claim to answer all questions related to micro-enterprise development for persons with disabilities in rural areas. However, the suggestions and ideas presented should help in avoiding problems that are commonly encountered.

The **fourth part** on the *success case replication* methodology uses examples of successful micro-entrepreneurs as models and trainers for people who wish to start their own micro-enterprise. It examines the methodology, which has been tested in Asian countries, and the strengths and weaknesses of each of its nine steps. It also examines how the methodology can be used to train persons with disabilities in rural areas and explains the role of the field worker or organizer.

The handbook is illustrated with **case studies** of farmers with disabilities who have become successful micro-entrepreneurs. The examples highlight the initial steps in their becoming entrepreneurs, some of the specific problems they encountered and how they overcame their disabilities. The case studies also show how some persons with disabilities who became successful micro-entrepreneurs decided to share their knowledge by training others.

I

Introduction

Introduction

Although many programmes are available for the rural poor, more needs to be done to help the poorest of the poor – rural people with physical or/and mental disabilities. Many rural persons with disabilities are forced to go to the city for rehabilitation or livelihood training. More rehabilitation programmes for the disabled are needed in the rural areas. Poor farmers with disabilities, with or without land, need to generate income or supplementary income to become active participants in their family and community, thus reducing the burden of their disability on both family and society. More opportunities must be provided to enable disabled persons in rural areas to generate income and become self-reliant.

This guide is designed for government and non-governmental organizations working for the social integration, rehabilitation, training and empowerment of persons with disabilities in rural areas. Its main objective is to give direction on how to prepare persons with disabilities to become active members of society and generate income through micro-enterprise development.

Jobs are not readily available for persons with disabilities. Even with special government incentives, many employers refuse to hire persons with disabilities because they think that the disabled person cannot do as good a job as a worker without disabilities. However, it is also not easy for a disabled person to be self-employed. Not all people, disabled or otherwise, are born entrepreneurs. While some can set up a successful micro-enterprise on their own, many, if not the majority of people, need basic training on starting a new enterprise and some advice on its overall management. Moreover, careful consideration is needed before choosing the type of micro-enterprise and its eventual expansion.

The aim of this guide is to reduce the risks involved in setting up a new project through careful preparation. People in the field should be able to use this guide as a tool to establish a micro-enterprise for supplementary or main income generation. The guide takes the user through every step to be considered when a disabled person decides to start a small-scale enterprise. Although many of the items may appear logical and simple, the guide should serve as a checklist and

be adapted to the trainer's entrepreneurial skills and those of the potential rural micro-entrepreneur with a disability. It reviews how a small-scale enterprise can and should be started with minimum capital investment, where this investment can be found and how to use and manage readily available resources.

It further reviews the *success case replication* methodology and how it can be used with disabled persons. This methodology has proven effective for non-disabled persons and offers the same advantages for persons with disabilities.

The final part illustrates how disabled farmers overcome their disabilities, become successful micro-entrepreneurs and active members within their families and communities.

Self-reliance through micro-enterprise development

Most persons with disabilities live in rural areas and, as such, it has become necessary to identify income-generating opportunities for them so they can become self-reliant while remaining within their community. Disabled persons have long been treated as social outcasts and were offered little support in becoming self-sufficient and capable of taking care of themselves and their families. However, things are changing and persons with disabilities are now being recognized as individuals capable of **doing**.

Initially, all help and support programmes could only be found in the cities, forcing rural persons with disabilities to travel to urban training centres. New approaches are now being implemented with the inclusion of disabled children and adults in schools and the workplace respectively. Nevertheless, employment remains difficult for a person with disabilities although several government programmes offer incentives for companies and industries to hire them. The incentives include subsidies for making workplaces accessible to persons with disabilities, special on-the-job training, payment by the government of part of the disabled employee's salary and tax rebates for companies hiring disabled persons.

However, many business owners are reluctant to hire persons with disabilities. Most often because of ignorance, employers tend to see only the disability and cannot recognize the capabilities of a disabled

person. Consequently, self-employment offers an interesting alternative. However, not all persons with disabilities are capable of becoming entrepreneurs, being no different from non-disabled persons in this respect.

Several factors have to be considered before starting a micro-enterprise. The various aspects of a business must be taken into account. Management and administrative skills must be developed. Many people in rural and remote areas, whether with or without disabilities, have already devised strategies and projects that generate sufficient income to sustain their families. These micro-enterprises vary according to country and culture, and can be found in various sectors such as agriculture, aquaculture, sericulture, animal husbandry, fishing, tool repair, and much more. Cooperatives have been organized in some sectors and areas.

Case study: *With determination, a low-income paddy farmer with amputated leg becomes a millionaire entrepreneur in aquaculture*

His right leg had to be amputated below the knee after a farm accident in 1992. Yet, 54-year-old Samang Rooplaikha, a former low-income paddy farmer in Thailand's Nakhom Pathom province about 100 km from Bangkok, is now recognized as an active and successful member of his community. A prosperous and well-known entrepreneur, he is an inspiration both within the community and beyond.

With only a primary education, Mr. Samang was growing rice and breeding chickens to support his family with six children. Seeking to boost his meagre income and observing other successful farmers, he decided to cultivate black tiger prawns. He learnt about the aquaculture business by himself from books, a successful neighbour and visiting other tiger prawn farms.

He started his own black tiger prawn farm with an interest-free credit of 20 000 baht given by the Disability Fund of the Department of Public Welfare. He was able to expand his business after only one year. Determination, hard work and a sound business investment have enabled him to increase his annual income from 40 000 to one million baht in just five years. He is now a prominent aquaculture entrepreneur whose success has been publicised by newspapers and other mass media. Many aspiring aquaculture entrepreneurs from various provinces of Thailand visit his farm regularly to study and learn from

his example. Mr Samang owns land, a car and a mobile phone. He attributes his success to hard work and willingness to learn constantly. "The key to success is to be diligent and to regularly improve one's knowledge," says Mr Samang.

These small-scale entrepreneurs have often encountered several problems, which they managed to solve using existing facilities, resources and understanding. They often know what works and what is needed for their enterprise to be successful. Persons with disabilities need to develop new ways and approaches to accomplish certain tasks and to surmount problems that they would face because of their disability. Small-scale entrepreneurs and especially those with a disability are in a perfect position not only to share their experience but also to teach others like them what to do and what not do, and how it can and should be done.

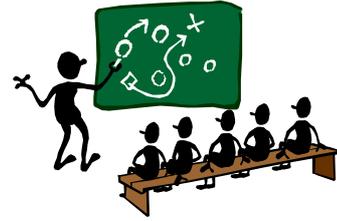
Training rural persons with disabilities in their own community has the advantage of allowing the trainees to remain with their families and to learn a trade that is accepted by the community. Training within their village or a nearby habitation also allows the trainees to exchange experiences with neighbours and make new friends. Since all people come from the same background, have the same culture and traditions, they are better able to understand the needs of each other.

Persons with disabilities have tremendous capabilities and courage, and must be given a chance to prove themselves. Capacitating persons with disabilities to become micro-entrepreneurs improves their livelihoods and has beneficial effects on the quality of their life and health. It helps reduce rural poverty and food insecurity and leads to the better integration of disabled persons into their community. Disabled farmers **can** become self-reliant, capable of generating regular income and thus be proud and active members of their families and communities.

II

Training persons with disabilities

Training persons with disabilities



Before entering into a new venture, even if it is to be a small-scale enterprise, a person needs to have sufficient knowledge of the work involved in order to make the business successful. In several cases, training is needed in order to learn more about the technical aspects and procedures that will ensure success. This training is often not readily available to persons with disabilities. Several vocational training centres will not accept a person with a disability because they assume that such a person will “slow down” the learning process of other participants. Financing the necessary training is therefore another issue that cannot be ignored. How much does it cost? Who will finance it?

Governments and non-governmental organizations around the world are developing special programmes for persons with disabilities. Because such persons did not always have the opportunity to go to school, or could study for only a few years, many disabled persons can barely read or write, or are totally illiterate. Training programmes must be especially developed to take this into account and use hands-on training techniques to teach new skills to persons with disabilities.

Creating the opportunity for disabled persons to become self-reliant

Trainers must realize their responsibility towards trainees with disabilities because they will play a major role in the future of the trainees; their work will offer disabled persons a chance for a better life with self-reliance, food security and an improved quality of life.

The main objective is to enable rural persons with disabilities to become economically self-reliant through income generation as small-scale entrepreneurs. The trainer must keep this in mind at all times during the training. All trainees participate in the training by choice and because they believe that the training course will give them the tools necessary for improving their livelihood. It is the responsibility of the trainer to convince trainees that they **can do** anything and everything they set their minds to.

Considerations for training of rural disabled persons

Training must take into consideration the activities of trainees within their community. In Asia, rice sowing and harvesting are the busiest times of the year for farmers and, therefore, it is very difficult to organize training during these periods.

Trainees may also have received different levels of education and, therefore, they must be encouraged to work as a team, helping one another. Both trainees and trainers must learn to work together towards a common goal, which is to succeed in starting a small-scale enterprise. If the trainees help each other, they can all learn from one another and will feel happier during the training.

Trainees must be well prepared for training in farming and rural activities. They must understand that it is not possible to close the enterprise during the weekend. Rural poor people often work seven days a week since some activities cannot be stopped. For example, animals need to be fed and crops need to be watered every day of the week. Trainers must arrange their schedule according to rural daily realities.

The use of a small-scale entrepreneur's experience can be very helpful and highly encouraging for trainees with disabilities. Trainers should include specialists in enterprise development, disability matters, and agriculture and rural affairs. The training can be provided either by one person with all these specializations or by a strategically selected training team.

Trainers may work on a rotating schedule. Communication between trainers, trainees, consultants and all parties involved is necessary for an effective outcome.

Motivation and capacity-building

Trainers will have to prepare trainees for basic learning and for unexpected events that will certainly occur during and following the training.

Four main learning steps

The objectives and priorities in training rural people with disabilities for enterprise development are:

1. To improve daily living skills
2. To impart technical capabilities and capacities
3. To develop entrepreneurial skills
4. To establish a network and strategic partnerships

1. To improve daily living skills

Trainers should focus on the daily realities of the trainees' community life by direct discussion with the trainees and offering appropriate advice:

- ***Accept who you are and learn to love yourself as you are***
- ***Think positively, and be convinced that you CAN DO***
- ***Be an active member of your family and community***
- ***Be responsible for your life by ensuring food security and quality, and practice good eating habits for yourself and your family***
- ***Be aware of your needs***
- ***Participate in your family and community activities as an equal member***
- ***Confront and surmount problems through open-minded interactions among themselves and in addition, through personal prayers, meditation, reflection and physical exercises.***

Trainees must be made aware of their personal limitations and potentials; they must never allow other people to determine what they can and cannot do. Training sessions should create the atmosphere of a large family reunion in order to encourage exchange, sharing, discussion, compassion and emotional

strengthening. Trainees must learn to listen to the experiences of others in order to learn how to overcome some of the problems and be successful in improving their quality of life.

Finally, enterprise development will offer trainees the chance to become self-reliant once they are convinced that they are **capable of doing**, even if they do it differently. Surmounting new challenges is never easy but always brings a feeling of achievement and success.

Case study: Teenager with Down's syndrome earns income and confidence from chicken, duck breeding

Fifteen-year-old Darum Bunkum, a resident of Lao Khwan district in Thailand's Kanchanaburi province, suffers from Down's syndrome. The right side of his body was severely weakened and he could study only till grade four. Eight years after he began rehabilitation training, he has recovered much of his strength and became economically self-reliant and confident about the future.

When he was seven, he joined the rehabilitation project run by the Foundation for the Welfare of the Mentally Retarded of Thailand under the Royal Patronage of Her Majesty the Queen. The community-based rehabilitation project (CBR) arranged physiotherapy for physically disabled rural children by giving them small cows. Taking the cows out to graze enables the disabled children to exercise their limbs. It helped make Darum's arms and legs stronger.

Noting that Darum really enjoyed taking care of the animals, the Foundation gave him funds to buy and raise chickens and Bavary ducks. Workers from the Foundation first trained his parents how to raise the chickens and ducks and manage the income. The Foundation actively followed up on his progress every three months. He also learnt how to inject the birds with vaccine and to prepare their feed according to prescribed formula. Darum could earn enough by selling chicken and duck eggs, ducklings and young chickens to expand his small farm.

He now has 50 chickens, 10 pairs of Bavary ducks and five meat cows and earns between 70 to 100 baht per day. He now earns his own income from his enterprise for the first time in his life. A portion

of the income is used for expanding his enterprise, another part helps meet necessary family expenses and the remainder is put in Darum's bank account. Darum learnt about money management from his parents and is now proud to manage his bank account by himself. He is confident he can become physically stronger and also develop his intellectual capabilities to be successful in life. He wants to make chicken and duck breeding his permanent livelihood.

2. To impart technical capabilities and capacities

Trainers must concentrate on the skills required for the successful accomplishment of all tasks associated with the chosen small-scale enterprise that is to be established in a rural area. These skills and tasks will vary from one business to another.

For persons with physical disabilities, certain techniques may be needed to replace the “conventional way” of doing things. For example, using the feet or mouth instead of hands has proven very efficient. Certain tools and devices can also be adapted to a person's physical disability.

Because training has to be conducted over a limited period of time, the quality of trainers becomes extremely important. Several programmes developed by government and non-governmental organizations use specialized trainers. Nevertheless, trainees prefer trainers who are successful entrepreneurs themselves and can explain from experience the “do's” and “don'ts” of establishing and running a small-scale enterprise.

3. To develop entrepreneurial skills

All aspects of a sustainable rural enterprise must be reviewed and well understood. For details see Part III.

4. To establish a network and strategic partnerships

Regular communication with trainers and all parties involved will provide trainees with timely information about existing training programmes. Trainees should fully exploit opportunities for collaboration with various agencies and organizations. This will also facilitate their acceptance as full members of their community.

The following are examples of organizations and institutions that can be contacted for future collaboration or partnership.

1. Agriculture extension offices
2. Local disability training centres
3. Technical colleges
4. Universities
5. Private companies
6. Local community small enterprises
7. Organizations for persons with disabilities (local, national and international levels)
8. Non-government organizations (local, national and international levels)
9. Central government agencies (e.g. Ministry of Invalids, Ministry of Social Welfare, Ministry of Labour, Ministry of Health)
10. Local government agencies
11. UN agencies such as FAO, ILO, UNDP, UNICEF, UNIDO, WHO.
12. Others

Finally, because of the importance of marketing in any business venture, strategic partners and associations may support trainees in advising on market opportunities and become potential partners and clients.

Selecting trainees

The selection of trainees should be based on well-defined criteria. Although many persons with disabilities can perform all required tasks, their motivation is crucial for success. Careful selection of the trainees is, therefore, vital for the successful replication of the enterprise and its future sustainability.

Persons with disabilities are capable of accomplishing most of the tasks involved in enterprise development. Nevertheless, certain activities may need to be adapted and strategies developed to compensate for the disability. Moreover, two persons with the same disability do not necessarily have the same capabilities and, consequently, it becomes necessary to understand their abilities while developing the strategy. Every person is different and therefore should

be allowed to test his or her capabilities and limitations. Trainees must be allowed to develop their own personal way of accomplishing the tasks required in the enterprise. Trainers must be able to give advice, support and direction.

Trainee selection procedure

1. **Identification of the candidates:** In most countries, the names and addresses of persons with disabilities are registered with a government office responsible for their welfare, such as the Ministry of Invalids, the Ministry of Social Welfare or the Ministry of Health. Provincial or municipal governments may also have information on persons with disabilities. Radio or television announcements can be used to invite candidates for training on enterprise development. Information on training should be provided to disabled persons located in the remotest rural areas.
2. **Pre-selection:** The disabled person's age and type of disability should be verified. Ideally, the age should be between 20 and 35 years. Nevertheless, it has been demonstrated in some cases that the selection of younger or older candidates was fully justified and highly rewarding for both trainees and trainers with the success of the trainee's new enterprise. Persons with multiple disabilities may have difficulties following a training course because of limited mobility and their capability for active participation must be verified. Candidates with basic literacy will also, generally speaking, find the training course more enjoyable and easier to understand; they are also more likely to succeed and, therefore, may be given priority.
3. **Diversity of location:** Care must be taken to avoid market saturation. A diversity of locations for training in the same type of enterprise is necessary. Moreover, if trainees are selected from different locations, they will have the opportunity to replicate their enterprise and become trainers in their community.
4. **Each candidate visited at home:** Trainers must meet each candidate at his or her home. This will allow trainers to verify if the candidate has family and community support, as well as the financial and other material resources for establishing the new enterprise.

5. **Verification of commitment:** Trainers must check the will and commitment of the trainees and their families to attend the training course. This is especially true when the trainee has to leave home to attend the training which may last for several months.
6. **Verification of motivation:** Trainers must make sure that the candidates are highly motivated to learn about enterprise development and new skills.
7. **Verification of availability:** Trainers must make sure that the candidate is capable, committed and ready to leave home to learn. In case of a person with multiple disabilities, a family member may have to accompany the trainee.
8. **Final selection:** Trainers must sit together and evaluate each candidate, decide whether or not a candidate should be selected, and justify their decision. This will ensure impartial and objective selection. Trainers must always keep in mind that the training is not only for enterprise development but should also serve as a re-education of the disabled towards their full integration as active and self-reliant participants in society.

Note: Although all selection criteria have been followed, it is still possible that some trainees return home before the end of training due to unexpected events in their family. However, meeting the selection criteria increases the chances of completion of training courses. A questionnaire for initial review of the candidates is given in Annex 1.

Size of the training group

The number of trainees will depend on the number of trainers. A ratio of five to one or six to one has been shown to be successful. With only five or six interns, it is possible for a trainer to better understand the physical, psychological and emotional needs of the trainees. The trainer should always keep in mind that the training programme is not only for enterprise development but also for self-motivation and confidence-building to ensure that the disabled person-turned-entrepreneur can be an active and self-reliant participant in community development.

Gender issues

Training in enterprise development offers a good opportunity for women with disabilities. Small-scale enterprise development allows both women and men with disabilities to earn a living close to home. A small-scale enterprise can be set up near the house allowing the woman to take care of home and children while generating supplementary income. It can also offer single women, single parents or widows an opportunity to establish a sustainable business that will enable them to become financially self-sufficient. Experience has shown that women can learn just as well as men, the skills needed for successful enterprise development. Attention must be given to the safety and security of women when training in mixed groups.

Case study: *Visually impaired village women demonstrate how the disabled can be successful in enterprise development and become community leaders*

Visually impaired, 49-year-old Nuan Sarachan belongs to a family of low-income rice farmers in Roi-et province in Thailand's poorest north-eastern region. She has demonstrated how rehabilitation training and sound business sense can enable persons with disabilities to become economically independent.



She was trained in awareness-building and mobility by a rehabilitation course for the visually impaired in 1991. A year later, after spending some time with others like her to learn from their experience, Ms Nuan decided to make joss sticks, which was the main

economic activity in her village. She started her business with a loan of 5 000 baht from the Roi-et Education and Rehabilitation Center for the Blind, but had barely managed to repay the money when she had to give up because of the high market competition.

After making a living for some time by packing joss sticks and earning 20 baht per 100 packs, she borrowed 4 000 baht to start a pig farm and buy a small rice mill in 1993. Making her first profit, she followed a neighbour's advice to start fish breeding with technical support provided by the village agriculture officer. Continuing success enabled her to diversify further into cultivation of straw mushrooms, which she

had learnt at the Rehabilitation Center. Having ensured a regular income for herself and her family from her enterprises, she went back to the Roi-et Center in 1997 to learn about cloth and water hyacinth weaving, mushroom farming and Braille reading and writing. On returning home a year later, she also began selling her products to the Roi-et Center.

Seeking to improve her work, she asked her neighbour to teach her how to make big joss sticks as it was difficult for her to make the small ones because of her disability. It was while learning this that she met Noopien Sitiwan, who was about the same age as her and also visually impaired.

Both women became close friends and after two weeks of training, decided to start making big joss sticks. They also sought advice from the government extension worker so they could sell directly in the market instead of through a middleman. They now make about 200 to 300 pieces every day and sell at a higher price to shops in the province, assuring themselves a regular monthly income ranging from 3 000 to 5 000 baht.

No longer dependent on their families, the two women also train the visually impaired and persons with other disabilities at the Roi-et Education and Rehabilitation Center for the Blind. They have taught joss stick making and cloth weaving to more than 100 persons with disabilities. The two are active members of the committee for the rehabilitation of small children in the village and take care of the children at the Center one day every week. They are constantly trying to arrange funding or donations to support the Center.

Issues and considerations to be addressed prior to training

1. To ensure that trainees do not abandon the course before its completion, it should be ascertained if they have left their home in the past, whether for re-education, training or work. This will show how they cope with living away from home.
2. Trainees who have never left their family should be allowed to train closer to home rather than be sent to a distant training centre.
3. Trainees who have never undergone re-education are often incapable of taking care of themselves. This must always be

considered when planning a training programme especially during budget preparation because offering re-education with skills training will take more time. Ideally, the trainees should have undergone re-education. Trainees with multiple disabilities may need continuous assistance.

4. Some trainees may also have been over-protected by their families and not used to accomplishing certain tasks on their own. As a result, it may be quite difficult for them to overcome certain physical challenges and trying to do so may cause serious emotional confusion. Trainees must initially understand that enterprise development may require specific tasks that can be difficult. They must have decided to attend the training because they truly want to learn new skills and not because family members have decided that it would be a good idea for the disabled person to learn new skills.
5. Many persons above 60 years of age have never had the opportunity to learn new skills or to undergo professional re-education or formal education. Learning enterprise development skills may be difficult for them and this is why it is recommended that trainees be between 20 and 35 years of age. Homogeneity within the group is also important. When trainees are both men and women, care must be taken that all women are not very young and men older. Different types of disabilities can also create different problems. For example, the needs of the visually impaired are different from those of the hearing impaired and the physically disabled.
6. Some trainees with multiple disabilities or with specific physical or mental disabilities may be incapable of systematic learning. For example, mentally-disabled persons may need additional attention. Although they may be capable of accomplishing specific tasks, especially repetitive actions, they may not necessarily be capable of analysis and decision-making. Other members of the group must understand the mental capabilities of their peers and can help during training by giving additional explanations and training.
7. Safety and security must be ensured for women attending mixed training courses. Appropriate facilities must be available for women trainees with disabilities to ensure their safety and privacy.

8. Following up on the trainee's progress after the establishment of his or her enterprise is crucial for its continuation. Like any other new entrepreneur, the disabled person will face problems, expected or not, usually shortly after set-up or during installation. A resource person, ideally the trainer, should be available for follow-up action and troubleshooting. This will protect trainees-turned-entrepreneurs from being overwhelmed with problems, which can often be solved easily. Failure must be avoided to ensure that the new entrepreneur becomes more self-confident and, therefore, self-reliant.

III

Small-scale enterprise development

Small-scale enterprise development

A. Before setting up a small-scale enterprise

Small-scale enterprise development is not for everyone, whether disabled or not, and needs a high level of discipline, dedication, persistence and creativity as well as a lot of work. The micro-entrepreneur must be capable of decision-making and have the ability to manage employees (if any) and accounts. Furthermore, small-scale enterprise development for persons with disabilities involves a multitude of additional challenges, which require specific attention and strategies. Before setting up a small-scale enterprise, it is necessary to:

1. *Deal with specific challenges*

In any business venture, specific challenges need to be addressed. These include:

- ***seed money***
- ***physical location of the business venture***
- ***construction or other physically demanding work***
- ***management skills***
- ***accounting skills***
- ***marketing skills***
- ***maintenance of equipment, machinery and premises.***



In the case of persons with disabilities, their physical and mental capabilities have to be reviewed for suitability to the enterprise.

Ask these questions:



1. ***What are my strengths?***
2. ***What are my weaknesses?***
3. ***How can I compensate for my weaknesses?***
4. ***What are my current personal needs?***
5. ***Who will be working with me?***



2. Choose the right business

The right business certainly varies from one person to another. Personal preferences, along with physical and mental capabilities are the main deciding factors. Nevertheless, the focus should be on market demand and its limitations to determine if the business can be successful.



A planned small-scale enterprise should be able to produce sufficient income to justify the time and energy invested in the venture. Family support also plays a major role in the selection of the business since a disabled person needs help in accomplishing certain tasks, especially during the start-up of the enterprise.

- 1. Make a list of what you would like to do.**
- 2. Also make a list of what you are good at doing.**

Go through the following steps to guide the choice of business:

- **Start with what you like** → **Remain realistic**
- **Investigate the market and its needs** → **Try to be objective**
- **Review the competition** → **Competition means a market**
- **Avoid saturated markets** → **Look for opportunity**
- **Make sure you can do it yourself** → **Hiring means spending money**
- **Consult with others** → **Discretely, not to divulge ideas**
- **Discuss with your family** → **Check impact on family**

Keep in mind that if there is competition, it means there is a market. Discreet investigation is therefore advisable.

Write down your ideas so you will not forget



Case study: Deaf and mute villager with no schooling becomes a successful farmer

Deaf and mute and with no education, Somboon Oysin was turned down by employers. Yet, the 25-year-old villager of Kampaengsaeng District in Thailand's Nakhom Pathom province, is now a successfully self-employed farmer with a regular annual income of 40 000 baht. His strong determination to break out of his world of silence and reach out to others enabled him to make full use of all his human faculties to radically transform his life.

As a child, he could not attend school because of his disability. He never learnt sign language. For his living, he could only find irregular work. He dreamt every day about having his own enterprise which would let him stay close to his family. Looking for business opportunities, he decided to follow his neighbour's successful example in cultivating corn and galingale (locally known as kachai). He obtained hands-on experience at his neighbour's farm and learned a lot by himself.

When he felt he had enough experience, he requested a loan from the Disability Fund of the Department of Public Welfare to set up his own enterprise for which he was given an interest-free credit of 20 000 baht. Within one year, he was earning enough to expand his farm enterprise. After just two years, he began earning a regular annual income which is more than twice his previous yearly earnings as daily worker of no more than 18 000 baht.

He has been able to repay the family's debt of 40 000 baht. Today, Mr. Somboon is free of all debt, has ample income, owns a motorcycle and is a self-employed entrepreneur. He is able to take care of himself and his family, which makes him very proud. He is widely accepted within the community as a successful farmer and entrepreneur.

Examples of activities appropriate for rural areas

The right business also means what is readily available and required in terms of raw materials and local demand.

Activities found in rural areas can be divided into three broad categories.

<p>ON THE FARM</p> <ul style="list-style-type: none">Rice & other cropsFruitsVegetablesMushroomFlowersAnimal rearing (chicken, pigs, sheep...)Rearing silk wormBee keepingBreeding turtles, frogsAquacultureOthers	
<p>HANDICRAFT</p> <ul style="list-style-type: none">Basket weavingSilk & cotton weavingCarpet weavingPotteryPaintingMetal worksOthers	
<p>SERVICES</p> <ul style="list-style-type: none">Motorcycle repairRadio/television repairBarber shopBeauty salonMassageFood processingSales of various productsOthers	

3. Review market demand and the competition

Review of the competition is necessary. Competition means there is a market, but how big is the market?



It is important not to saturate the market and to supply the right type of product or service; something that is in demand.

Ask these questions:



1. **Who are my competitors?**
2. **Who are my customers?**
3. **How much can the market absorb before saturation?**
4. **Is there a shortage or surplus?**

Location of the market is also important for micro-entrepreneurs with physical disabilities. Agricultural produce, for example, has to be sold at the fresh market, which must be accessible to the disabled person micro-entrepreneur. If it is too far, proper transportation arrangements will be necessary or else the product will have to be sent by a hired delivery person or sold to a middle person. Hiring people increases production costs. Marketing is easier for a farm-based enterprise located within a small community where the production can be sold directly to the villagers.

Case study: Overcoming his disability to become a leading mushroom entrepreneur



Over a decade ago, Suban Inthanam was unable to get a bank loan to start mushroom farming to support his wife and two children. A resident of northeast Thailand's Yasothon province, he suffers from a disability which has made his right leg shorter than his left by 15 cm. Banks were unwilling to lend to a disabled person and the family was supported

by community members. Today, in his forties, Mr Suban is a well-known and prosperous mushroom entrepreneur with annual profits of about half a million baht, helps the poor and readily shares his business expertise with others.

Borrowing a small amount of money from friends he was able to set up a small mushroom farm in 1990. He succeeded in producing as much as the big farmers due to very high yields. With his wife, he gave special attention to the farm, paid back the loan from his earnings as a successful entrepreneur, bought land and built his own house made of concrete.

His wife harvests the ripe mushrooms four to five times a day. The plants are not watered by an automated device on fixed days and times but manually to ensure the exact amount needed at the exact time. Mr. Suban buys the spores in Bangkok, prepares and inoculates substrate bags and supplies these to other mushroom cultivators in his village.



In 1994, he started training people in the community who were keen to follow his outstanding example. He has so far trained more than 25 persons in mushroom cultivation. The training he gives is free because he believes in mushroom cultivation as a good and

honourable way of earning a living. Now more than 25 rai (about four hectares) of land within the village is used for mushroom farming.

Mr. Suban goes around the village on his motorized tricycle. He helps others with advice on mushroom cultivation, despite risk of increased local competition and reduced profitability of his own production. Instead, he diversified into the production and sale of inoculated substrate bags which largely compensates for any income loss from increased competition. He now makes monthly profits between 40 000 and 50 000 baht. He is one of the most highly appreciated disabled guest trainers at the mushroom cultivation training centre in Ubon Ratchathani, more than 100 km from his home in Yasothon.

4. Check seasonability

Agriculture and farming produce are often seasonal. The following questions must be considered:

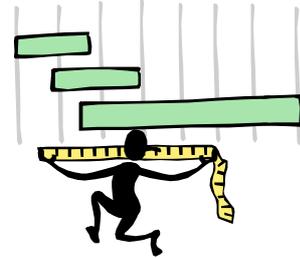


- 1. Is the crop or product available only during certain seasons?**
- 2. Are raw materials available all year round?**
- 3. Can the product be kept in storage?**
- 4. Is the service or product only required during certain periods of the year?**
- 5. Can there be off-season production?**

Some products can be grown off-season generating substantial profits since there are few competitors during that period. Such products, although requiring more time and attention, can offer a niche market opportunity for micro-entrepreneurs with disabilities.

5. Decide on business size

Care must be taken in deciding the size of the business.



- ***If too small, the business may not be feasible.***
- ***If too big, it becomes too difficult to manage properly and may require extra help, which adds to costs.***
- ***If too big, the market may not be capable of absorbing the produce.***

It is usually better to start small and expand the business slowly once the market has been tested and income starts coming in. Initially, self-sufficiency and the capability of handling the business by oneself is the best indicator of the right size of the enterprise.

Several questions need to be answered before determining the size of the enterprise:



- 1. Who are the clients?**
- 2. Where are the clients?**
- 3. How many clients are there?**
- 4. How much produce or services can each client use?**
- 5. Are there seasons or days of the week when the produce or service is more in demand?**
- 6. Who else is offering the same service or produce?**
- 7. What percentage of the business share can I expect to take?**
- 8. How much money do I have to start the business?**
- 9. How much can I manage by myself?**
- 10. How can I ensure quality?**

Write down your ideas so you will not forget



6. Identify the location



Location plays a crucial role in starting a small-scale enterprise. While a farming or farm-related enterprise need not be accessible to the buyers, the micro-entrepreneur will have to travel to the market to sell the produce. When the business involves fresh produce, timely sale is crucial. For example, fruits, vegetables and flowers are highly perishable and have to

be sold quickly. Easy access to markets is important. It is necessary for a micro-entrepreneur with a disability to be able to reach the market or to have easy contact with potential buyers. In some cases, it may be necessary to hire someone to help in the delivery of the produce.

In the case of services, micro-enterprise location should encourage people from the village to come to the entrepreneur's workplace, which must be easily accessible to clients, and be somewhat attractive. Low-cost decorations can be used to attract clients while good service will ensure their return.

Land and premises

Land and premises are needed for the establishment of any enterprise. In case these have to be acquired, the start-up costs will increase. If the new micro-entrepreneur already owns these, he or she may have to spend on renovation. The following questions should serve as guidelines:



- 1. How much space do I need?**
- 2. Do I have a piece of land or building I can use?**
- 3. What will be the cost of the land?**
- 4. Do I need to rent the premises?**
- 5. Does a new building need to be built?**
- 6. Can the existing building (s) be renovated?**
- 7. Do I need decoration? (Decoration may be needed to attract customers.)**

Write down your project ideas so you will not forget



7. Check availability of raw material

Raw material for making the produce should be readily available. Import of the material should be avoided because this will make it difficult to ensure a steady supply.

A number of suppliers should be identified.

It is important to avoid reliance on a single supplier as this will give the supplier a monopoly and is most likely to lead to an increase in prices over time. Because the profit margin in a micro-enterprise is generally small, it is necessary to keep production costs under close control. It is important to ensure constant quality.

Alternative sources of raw material may also be considered such as forest products that are readily available and free of charge. Recycling and re-use is another way of reducing costs.

The steady availability of water is another important consideration while selecting the enterprise and identifying the raw material. This is especially important for farming activities.



Case study: *Farmers with physical disabilities find income and confidence with silk yarn spinning*

An FAO Technical Cooperation Project (TCP) to train small farmers in southern Thailand to produce silk yarn has demonstrated how rural persons with disabilities can earn an income and confidence in their ability to be economically active.

There are many silkworm farms in southern Thailand where the raw material is readily available. The income from silk yarn depends on the amount of time spent in spinning the yarn and its quality. It takes 7 kg of silkworm cocoons to produce 1 kg of yarn. As cocoons can only be kept for a period of three to four days, intensive work has to be done during these few days.

The trainees for the FAO TCP included a group of eight farmers with physical disabilities from the province of Chumporn. Some were in wheelchairs and one of them had only one hand. The group received five days of intensive training. The training programme was the same for all trainees. The trainees with disabilities learned that they could do just about everything required to make silk yarn – how to select and buy cocoons from local farmers and how to spin and sell yarn in the market.

The silkworm cocoons then cost an average of 80 baht per kg, while the yarn was sold for between 800 and 1 000 baht per kg depending on the quality. Some of the trainees with disabilities were able to buy 20 to 30 kg of silkworm cocoons, which could be spun to yield between 3 to 5 kg of silk yarn. It was estimated that each silkworm crop generated a gross income ranging from 3 000 to 5 000 baht and a profit of 1 400 to 2 600 baht.

The training saw the modification of techniques to meet the special needs of persons with disabilities. For e.g., the trainee with just one hand would not have been able to use the conventional method to spin yarn, which requires holding the thread with one hand and using the other to turn the reel. A motorized reel was provided to solve this problem. But this was not a feasible solution since most trainees are not in a position to buy a motorized reel or pay the additional production cost for electricity. A practical alternative was to train the disabled person to use both his feet with the thread twisted around the toes. Another problem was ensuring the easy supply of silkworm cocoons. Since these are available only three to six times a year, trainees must have other sources of income when cocoons are not available. One trainee was compelled to give up silkworm production as he lived too far to be able to buy the silkworm cocoons in time. In both cases, the issue was tackled by assisting the trainees to make a living from selling processed food to earn an average income of 200 to 300 baht per day.

The FAO project has been relatively successful with four of the eight trainees with disabilities still active in producing silk yarn.

8. Identify funding

A disabled person wanting to start a micro-enterprise may obtain a loan for this from family or community members. However, the start-up funds often have to be sought externally. It must be kept in mind that loans have to be repaid and, therefore, one must borrow the minimum amount needed for start-up and running expenses until the venture starts generating income.



In some countries, government loans or institutional micro-credit are offered to small-scale entrepreneurs – whether disabled or not – who have a viable business proposal. Rural persons with disabilities often lack the education and skills needed for preparing a formal proposal and may need the help of family or community members.

Several countries also have disability funds offering loans at low or no interest rates to individuals with disabilities who are registered with the responsible government authority. The loan can be repaid over a period of several years. The loan sometimes requires endorsement by a family or community member in case of non-repayment.

Disabled persons seeking a loan must contact either local government authorities or government ministries that are most likely to offer loans, such as the Ministries of Labour, Social Welfare, Health or Invalids; the ministry may differ from one country to another. Disabled persons may also obtain loans from cooperatives, agricultural organizations, women's groups or farmers' organizations, although such loan facilities are not specifically available for persons with disabilities.

9. Review the market



Marketing is very important since competition can be fierce. The following factors must be taken into consideration:

1. **Packaging:** Packaging may or may not be required depending on the product. For the sale of fresh fruits, vegetables or other agricultural produce, there is generally no need for packaging. A simple plastic or paper bag is sufficient.
2. **Presentation:** Presentation can play a role even in the sale of fresh food products. Neatness, cleanliness and organization make the sales outlet attractive and appealing to customers.
3. **Market test:** It is sometimes interesting to test different types of presentation or packaging to find the one that appeals most to customers.
4. **Competition:** Competitors offering the same or similar product must never be ignored as they already have clients and may be more experienced. Check their presentation, price and sales technique. As a new micro-entrepreneur, you can learn from the experience of others and adapt it to your personality.

A lot can be learned by looking at the competition. The following are some of the things that need to be checked against.



9.1 The competition

1. **Who are my customers?**
2. **Is there growing demand for my product?**
3. **Who are my competitors?**

4. **How are other businesses doing: are they growing? Steady? Decreasing?**
5. **What are their strengths? Their weaknesses?**
6. **How does their product differ from mine?**
7. **If it is the same, why do I think I can take a share of the market?**

9.2 What is the right sales price for the product or service?

Sales price, quality and service ensure that new customers become regular clients.



1. **What are the current sales prices?**
2. **What is the quality of the product sold by the competition?**
3. **How does the quality of my product compare to that of others?**
4. **What is my estimated cost price?**

If the sales price is too high, customers will go to the competition even if the entrepreneur is a person with disabilities. Clients may buy once to encourage the micro-entrepreneur who is a disabled person but will buy the lower priced product if it is of equal quality. If the price is too low, customers will think that the product quality is also low and continue buying from their regular supplier. The right price should be similar to that of the competition while offering better service and same or better quality.

10. Check feasibility before starting the enterprise

Too many people start a new small-scale business, blinded by the attractiveness of the product or by what seems to be an attractive market. However, many micro-enterprises close down after a few months or years of operation, shattering the small-scale entrepreneur's dreams of what appeared to be the perfect way of making a decent living. In order to avoid this, a pre-feasibility study should be conducted. Although this may be based on estimates, it helps to prepare for the future and, in some cases, shows that another activity may be better.



Start-up expenses generally include:

- **Legal professional fees**
- **Licenses / permits**
- **Rent and/or construction**
- **Equipment and tools**
- **Assistive devices (when required)**
- **Raw material**
- **Salaries / wages**
- **Utilities**

11. Check profit and loss (feasibility checklist)

DESCRIPTION	TOTAL COST	
	Total	Per month
A. ONE TIME INVESTMENT (divide by number of months to know approximate cost per month)		
1. Legal and professional fees		
2. Operating licenses / permits (12 months)		
3. Building (36 months)*		
4. Land use (36 months)*		
5. Equipment / tools (36 months)*		
6. Transportation / delivery equipment (if required) (60 months)		
7. Assistive devices: Hearing aid, visual aid, tricycle, wheelchair, prosthesis, orthotics... (36 months)*		
8. Salaries / wages for start-up		
9. Utilities (elect., water for start-up)		
A. TOTAL COSTS		

(Cont) B. OPERATING EXPENSES	Per month
1. Raw Material	
2. Utilities	
1. Water	
2. Electricity	
3. Telephone	
4. Others	
3. Labour costs (if any)	
1. Micro-entrepreneur	
2. Family members	
3. Hired workers	
4. Delivery expenses	
5. Rent payment	
6. Loan repayment	
7. Taxes	
8. Repairs and maintenance	
9. Other costs (not above)	
B. TOTAL OPERATING EXPENSES	
TOTAL MONTHLY COSTS: A + B =	

* *Calculating depreciation costs of tools and equipment:* Purchased tools and equipment can be used for a period of several months or years. Their cost must be divided over the period of expected life (use of such tools and equipment is further divided into the number of items produced or services rendered).

<i>EXAMPLE OF CALCULATION</i>	
<i>Purchase of tools</i>	<i>6 000 baht</i>
<i>Number of usage years</i>	<i>3 years or 36 months</i>
<i>Cost per month</i>	<i>6 000 baht / 36 months = 167 baht per month</i>
<i>Quantity of items produced per month</i>	<i>200 units</i>
<i>Cost of tools per unit</i>	<i>167 baht / 200 units = 0.84 baht per unit</i>

CALCULATING SALES PRICE:

	Total monthly cost
<i>Divided by</i>	÷
	Quantity of items produced
<i>Plus</i>	+
	20% Profit margin
<i>Equals</i>	=
SALES PRICE PER UNIT	

CALCULATING MONTHLY INCOME:

	Estimated sales price of product
<i>Multiplied by</i>	x
	Estimated quantity sold per month
<i>Equals</i>	=
TOTAL MONTHLY INCOME	

CALCULATE THE MONTHLY GROSS PROFIT

	Total income
<i>Minus</i>	-
	Total costs
<i>Equals</i>	=
GROSS PROFIT	

- ***If the estimated profit margin appears good, then it is time to go ahead with the investment.***
- ***If the profit margin is low, all numbers should be reviewed carefully before investing.***
- ***If the profit margin is negative, the micro-entrepreneur should consider another activity.***

Case study: Disabled farmer recovers physical and economic strength with mushroom enterprise

Several years ago, Suphol Noi Wong, 34, left his family and country to go and work in a refrigeration factory in Taiwan where he was sent by a labour recruitment agency. But his dreams of a good income were shattered when he became severely injured in a work accident. He lost all strength in both his legs after what appeared to be a gas leak in the factory.

Sent back to Thailand as a disabled, unemployed worker without compensation and burdened with a 50 000 baht debt with a 2 percent monthly interest, he could find work only as a daily farm hand. His income was far too short to support his family, his wife and seven year-old son, and to repay his debt.

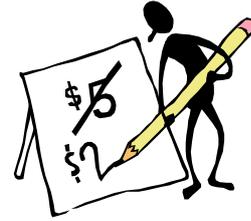


Looking for additional income he came to know about the innovative FAO pilot project on mushroom enterprise development for farmers with disabilities. He was chosen for the training after satisfying most selection criteria. The only exception was that he had such a big debt. Yet, Mr. Suphol's impressive courage and determination led to his selection. Through his strong determination he recovered some of the strength in his legs, while he worked hard to learn everything about mushroom cultivation.

Within a year after completing the 60-day intensive training, he was able to build his second mushroom house. He now earns an average of 500 baht per day and is paying off his debt, making mushroom cultivation his main livelihood. The training programme restored his self-confidence and enabled him to realize his entrepreneurial ambition. He also trained his family members in mushroom cultivation and they help him in developing his enterprise. As a successful micro-entrepreneur, he has gained economic self-reliance along with physical, mental and emotional strength.

12. Avoid common mistakes

Numerous factors may jeopardize the success of an enterprise.



The following are some common mistakes:

<p>☹ Insufficient know-how</p>	<p>The micro-entrepreneur does not sufficiently understand the process and therefore cannot easily find alternatives or solutions to problems encountered (e.g. Pest control, disease, mechanical problems...)</p>
<p>☹ Lack of marketing strategies</p>	<p>Competition may be healthy but too much competition may destroy the market unless creative marketing strategies are developed. Although a person with a disability may receive special consideration, it is necessary to compete with sometimes powerful and wealthy groups. The issue of disability is not a marketing strategy.</p>
<p>☹ Insufficient cash flow</p>	<p>Cash flow is often what destroys most companies. Careful forecasting of start-up and running expenses is necessary.</p>
<p>☹ Too large start-up</p>	<p>It is always better to start small with a minimum investment and to grow slowly with the market.</p>
<p>☹ Poor record-keeping</p>	<p>Income, profits and losses need to be closely monitored. This helps decide whether the market is good, whether the new small-scale enterprise should be expanded, reduced or halted because of losses.</p>
<p>☹ Giving samples and presents</p>	<p>Generosity needs to be controlled. A certain amount of gratuities should be established but it is always dangerous in a personal business to give small amounts of the product or free service to members of the family and neighbours. This could equal or surpass the profit margin.</p>
<p>☹ Management</p>	<p>Management of the business is, and will always be the key to success. Not all people are good managers and therefore management skills may need to be developed or acquired through training.</p>
<p>☹ Maintenance</p>	<p>Maintaining the equipment and the keeping the business premises clean and in good running condition certainly contributes to reducing operating expenses.</p>



B. Preparing to start the business

Basic and unavoidable steps

➤ There are ELEVEN basic and unavoidable steps in preparing to start a business.
<ol style="list-style-type: none">1. Secure funding2. Open bank account3. Identify precise location for the enterprise4. Build or renovate the structure or building required5. Arrange necessary infrastructure (water, electricity, communication and others)6. Request permits (if necessary)7. Purchase and adapt necessary tools, equipment and assistive devices (when required)8. Identify suppliers of raw materials and consumables9. Start production10. Control quality11. Devise marketing and sales strategies

1. Secure funding

Various sources of funding may be considered when starting a small-scale enterprise for a person with disabilities. The major source, obviously, is the family. However, many countries have special programmes to help micro-entrepreneurs with disabilities. For example, a Disability Fund set up by the Government of Thailand offers interest-free loans to persons with disabilities who can make a feasible business proposal. Some international organizations and NGOs also provide financing facilities for different projects and target groups. Documents to confirm the loan or grant must be processed at this stage.

2. Open bank account

Once funding has been identified and confirmed, the money must be deposited in a bank account. To ensure clear accounting, a special bank account should be opened for the business. The loan money can then be deposited in that bank account and withdrawn for the purchase of equipment and raw material. The income from

sales is also deposited in this bank account. All transactions should be done through the bank and not directly in cash. This ensures clear understanding and follow-up of money movement for both income and expenses.

3. Identify precise location for the enterprise

It is then time to choose the precise location for the construction of the facilities. If using an existing building, renovation or modification may be necessary. It may also be necessary to arrange for landfill, excavation, irrigation or other modification. This can often be done manually with the help of family and friends.

4. Build or renovate the needed structure or building

Renovation and building may require substantial investments. Nevertheless, these can be greatly reduced by using readily available forest produce, grass, tree leaves and rice straw or used construction material. For example, tree branches can be used as poles; roofing can be made of corrugated steel, rice straw or grass; and walls can be made of dried leaves. The weather is also decisive for the type of material to be used. Decoration should be kept to a minimum, at least in the beginning. However, if the structure is also to serve as a retail outlet, it may be necessary to be creative and use simple yet attractive decorations.

5. Arrange necessary infrastructure

A steady supply of water is vital for an agriculture-based enterprise and a well may be dug or water may have to be transported or channelled to the site. In some cases, electricity may also be needed. Roads must be accessible for smooth delivery of raw material and transport of the produce to the market.

6. Request permits (if necessary)

It is very important to confirm if a permit is needed to operate the business. It is costly to set up a business and then learn that it will take a few months to get the required operating permit. Verification should be done at the very beginning so that permits can be processed during preparation for starting the enterprise.

7. Purchase and adapt necessary tools, equipment and assistive devices

Purchase of equipment should be kept to the absolute minimum. Instruments that are not needed regularly may be borrowed or rented. It is important to verify if a person with a disability can use the equipment. Certain adaptations or modifications may be necessary. The use of prosthesis and orthotics by physically disabled persons would surely help in any type of enterprise. The manual *Adaptive tools for persons with disabilities*, published by the UN Economic and Social Commission for Asia and the Pacific (ESCAP) offers some ideas and suggestions on what is readily available. Although electrical equipment may facilitate certain tasks for persons with disabilities, electricity charges add to production costs and consequently, the sales price. Any equipment or machinery should be purchased after careful consideration.

8. Identify suppliers of raw material and consumables

The quality of raw material and reliability of suppliers are crucial, especially in the case of consumer products. Delivery must be punctual to ensure continuous production. Suppliers should be carefully selected by requesting quotations and terms of delivery from several parties. It is better to select a supplier situated close to the enterprise even if the price is slightly higher because it is easier to keep check on a nearby supplier. Prices should always be negotiated and in case of regular purchase, better prices, terms and conditions should be sought.

9. Start production

It is time to verify the actual costs of production. Some things may have been forgotten or put aside under the impression that these are not important. The micro-entrepreneur with a disability must start the production and apply his or her know-how to the best of his or her ability. However, some problems may need to be solved such as pests, diseases, breakdown of machinery and shortage of clients. A resource person should be available to support and guide the new disabled person micro-entrepreneur in solving these problems. The total amount of production must be closely monitored. Provincial and district offices sometimes have specialists in various agricultural sectors who can be useful as

resource persons. Cooperatives also offer advice to their members.

10. Control quality

Quality and reliability of supply are crucial for ensuring steady sales and a good price. Raw material quality must be controlled for good product quality and must be done on a continuous basis to reduce loss and damage. The new micro-entrepreneur's clients will find him or her reliable if the quality is maintained constantly.

11. Devise marketing and sales strategies

Although competition may make market penetration more difficult, it also proves that there is a market. A new micro-entrepreneur, whether disabled or not, needs creativity and sales strategies to establish his or her product or service in the market. Politeness, friendliness and a neat personal appearance help in selling a product. Developing a relationship with the buyers by providing a regular supply of quality products will convert clients into regular customers. This will also establish a good reputation for his or her product or service and bring more customers

A successful micro-entrepreneur must also be flexible and capable of reducing or increasing prices according to demand and shortages. For products or services sold from his or her home, an accessible location will encourage villagers to go to the micro-entrepreneur. In the case of agricultural produce, the disabled person micro-entrepreneur can sell from home or may send someone to the market with the produce.

The entrepreneur must always check and review the market for the following:



1. ***Who are the buyers?***
2. ***What quantity of production can the market absorb?***
3. ***Where are the selling points?***
4. ***What is the distance that needs to be travelled to sell the product?***
5. ***What means of transportation are available?***
6. ***How much time is needed to sell the product, including travel?***

Packaging may be needed for some products. This adds to the cost and must be carefully selected since it may increase the price of the product to a level that is no longer competitive. Same or similar products must be carefully reviewed for how and whether they should be packaged. Innovative packaging or presentation, however, may allow a new micro-entrepreneur to corner part of a market.

C. Managing the business

A profit-making business

Running a small-scale business is not only buying, producing and selling. It also means:



- ***Keeping clear records***
- ***Verifying profit and loss***
- ***Managing cash flow***
- ***Maintaining tools, equipment and buildings***
- ***Reviewing the market regularly***
- ***Expanding the business wisely***

Although setting up the micro-enterprise may have its difficulties, making it a profitable venture is the biggest challenge. It is therefore necessary to closely monitor each investment and purchase cost to know the exact profit.

1. ***Keep clear records***

Small-scale entrepreneurs should always keep clear records of their purchase and sales. The records must be simple.

- ***Make a list of all items bought every week.***

Purchased item	Quantity	Price per unit	Total price

➤ **Make a similar chart of all items sold**

Sold item	Quantity	Price per unit	Total price

2. Verify profit and loss

Finding out whether the enterprise is making money or not is crucial for the venture. Sometimes it seems that there is a lot of money coming in but when compared to the costs, there is little profit left. This is called **feasibility**.

It is necessary to review the feasibility by asking the following questions:



- 1. Am I making money?**
- 2. Is it worth continuing?**
- 3. What can be changed to increase profit?**

It is especially important to verify the profit margin. More production does not necessarily generate more income. It depends on the profit margin, which is calculated by subtracting the production cost from the income as follows:

$$\text{Income} - (\text{Minus}) \text{ Production costs} = (\text{Equals}) \text{ Profit margin}$$

Case study: Down's syndrome did not keep her from gaining economic independence with a poultry enterprise

Although afflicted with Down's syndrome, Yupin Kerdam no longer feels she is a burden for her family. She is proud to be able to contribute to the family income. For the first time in her life, the 30-year-old woman living in a province near Bangkok has a regular income, which she manages carefully, keeping the records herself.

She started chicken and duck breeding with a loan from the Foundation for the Welfare of the Mentally Retarded of Thailand under the Royal Patronage of Her Majesty the Queen and the Department of Public Welfare. She was trained to do this by her parents who



were given initial training by the District Office Extension Officer. The Foundation actively followed up on the training every three months. Successful from the start, Ms Yupin has been enthusiastically involved in her business for several years and has increased the number of birds to 150 chickens and 20 pairs of Bavary breeding ducks. She is knowledgeable about their exact feeding and veterinary needs, injecting them with vaccine and preparing their feed according to prescribed formula. In addition, she grows vegetables and flowers, earning an average of 100 baht a day from the sale of eggs, small chick and ducklings, as well as vegetables and flowers.

The business is independent from the family enterprise although her



parents monitor her business operations. As advised by the Extension Office, they tell Ms Yupin how to manage her income. A portion of the money is to be used for expanding her business, another to meet her personal needs and the rest is to be saved in her bank account. Other family members

even seek loans from her and have to tell Ms Yupin why they need the money, for how long and with what interest they will repay it. Ms Yupin is happy to help her family and feels a valued member of the community.

3. Manage cash flow

Cash flow is the money moving **in** and **out** of the enterprise. It is the total amount of money coming in and going out of the business. If all the money received is put in the bank and all expenses are paid from the money in the bank, the cash flow is the total amount of money moving in the bankbook. However, care must be taken not to spend what appears to be profit before reviewing future investment needs. These needs can include:

- **Purchase of raw material**
- **Payment for utilities (electricity, water, etc)**
- **Repair of broken equipment**
- **Payment for extra labour**
- **Repayment of the loan**
- **Replacement of tools and material.**

Note: An emergency fund should be set up for the replacement of broken equipment and tools and for purchasing other necessary inputs.

4. Maintain tools, equipment and buildings

Tools and equipment

The life of tools and equipment can be extended by proper maintenance. Metal tools should be protected from rust while wooden tools have to be protected from termites and decay. Mechanical tools must be lubricated regularly.

Building(s), structure, environment

The type of structure used for the business determines the maintenance required. In Asian rural areas, many buildings are made of thatch, bamboo, rice straw, grass, dried leaves and other material. These must be checked for pests, especially in cases

where production is food-related or stored inside this structure. The building or premises must be kept clean and tidy at all times, whether used as a sales outlet or not. Cleanliness not only makes the place more attractive, it also reduces the threat from rodents and other pests. It further makes the place more enjoyable to work in and thus encourages the micro-entrepreneur to spend more time on the premises.

5. Review the market regularly

A micro-entrepreneur must always review developments in the market if he or she is to remain successful.



- 1. Am I selling more or less than before?**
- 2. Do I have regular customers?**
- 3. Did I lose customers lately?**
- 4. Are there new competitors?**
- 5. What is the quality of the product on the market?**
- 6. What is the cost?**
- 7. How does my product compare with the competition in terms of quality? Price?**
- 8. How is the competition presenting its product?**
- 9. Should I improve my packaging? My presentation? My production?**

These and other questions need to be addressed regularly since a market is constantly changing with new people, new products, new technologies and new competition.

6. Expand the business wisely

- **The business must be expanded at the right time**

Expansion is always a sign that the business is doing well. However, this should be based not only on current sales but also on future sales.

When expansion is considered, decisions need to be made on the type of expansion:



- 1. Produce more of the same product in the same location?**
- 2. Produce more of the same product in another location?**
- 3. Join with others to open outlets or branches?**
- 4. Produce a similar product that would be complementary and help me corner the market?**
- 5. What are the costs involved?**
- 6. Do I have enough money or do I need to ask for a loan?**

It is recommended that expansion should only be done when the micro-entrepreneur has accumulated enough money to pay for the expansion. *Borrowing money to expand a business is always dangerous and often results in failure.*

Plans for expansion of a micro-enterprise should be made in the same way as for its start-up.