

Tanzania - Arusha

MICRO-FINANCE





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Summary of Current Developments

General Development

We continue to record the business figures and conduct business interviews for all the groups in order to advise each member during the weekly meetings. Due to the low number of volunteers in September we weren't able to provide much training, instead we did a lot of business visits. We also decided to start with some lessons in marketing with the Chemchen group and Tupendawe group. During October we will do marketing lessons with all of the groups.

Group meetings

At every group meeting one person checks the books whilst another person does the interviews with Elisabeth's help as translator. As soon as all the books are checked, the training session starts. Running training sessions weren't always possible because most of the time having to translate from English to Swahili meant the interviews and book checking took too long.

Training

In the beginning of the month we asked each group what they would like to learn from us; the answers varied from English lessons to enable the women to talk to their English speaking customers, to learning more about marketing, bookkeeping training and customer care. Last month we discussed several of these subjects (for more information see the monthly achievements). At this time we are developing a cost-calculating template for the women, because most of the women have no idea about what their product costs and therefore their total expenses.

Cost Calculating

Cost Price	.....	Shillings
Transport Costs	.....	Shillings
(market) Fees	.....	Shillings
Personal Cost	.....	Shillings
<hr/>		
Product Cost	.....	Shillings
Salary	.....	Shillings
<hr/>		
Total product cost	.....	Shillings

This draft is still in its early stages, and needs a lot of improvement. The cost price, transport costs, market fees and personal costs should be more defined and the words should be in Swahili as well as English and other costs should be included. It should also include some blank spaces so the women can add costs they have for a particular product. We hope that this will increase the understanding of their expenses. If they have more knowledge about their expenses they might be able to lower the cost price, for example lowering the transport

costs to make more profit. During October the cost calculating template will be finished and saved on Dropbox to be used in training.

Business visits

As mentioned earlier, we did a lot of business visits this month which the women found very useful, so we will continue to do them on a regular basis. During these business visits we will continue to ask the women several questions about various topics such as: the amount of customers they have, how they think they can improve their business, how they want to expand their business, and what progress they think they have made so far.



Volunteer Information

Weekly visits and individual business visits have been made to all of the groups during this month. In September the team starts with Yanna (Netherlands) followed by Barbara (Germany) and Mellissa (Australia). Melissa and Barbara will leave at the end of the month. Project continuity is granted by Yanna. New to the teams are Vicky (Germany) and Casey (USA).

Loan Portfolio

Group	No. Women	Issue Date	Total Loan Value (TSH)	Repayment 31.08.2014	Defaults	Outstanding Balance @ 01.09.2014
Chemchem	10	10 loans, 15 th September	1,000,000	170,000	0	830,000
Tupendane	10	6 loans, 13 th May 4 loans, 27 th May	2,500,000	2,026,500	0	473,500
Ikusura	8	8 loans, 29 th April	3,200,000	3,200,000	0	0
CHE	10	6 loans, 20 th August 3 loans, 23 July	3,600,000	1,102,500	0	2,497,500
Amani	10	5 loans, 15 th August 4 loan 5 th September	4,200,000	798,000	0	3,402,000
Mshikamano	6	6 loans, 21 February	0	0	0	0
TOTAL	56	40 Active Loans	14,500,000	7,297,000	0	7,203,000
Available Cash						[5,229,000]
Next Capital Required						0

Monthly Achievements

1st Loan for Chemchen Group

On the 15th of September, after examining the application forms submitted in previous weeks, the microfinance team agreed and gave the first loan from 100,000 TSH to each woman in the Chemchen Group plus new books for book keeping and calculators. These loans are expected to help the businesses of the women.

Finishing the 4th Loan: Tupendane Group

During September the Tupendane Group will finish their repayment of the 4th loan. (400.000 TSH) Now it is time to see what progress has been made and if they can develop their business independently.

Already finished the 4th loan: the Ikusura Group

The Ikusura Group has already finished their repayment for the 4th loan and is very keen on getting the next loan. However, now it is important to show that their businesses do not depend on loans.

Starting the 5th loan: the Che Group

In September, after examining the application forms submitted previously, the microfinance team gave new loans, ranging from 500,000 TSH to 450,000 TSH for each woman, to the Che Group as well as some calculators. These loans are expected to help the businesses of the women while introducing to them the interest rate, which we set at 5%. However, the money collected from the interest will not be used as Projects Abroad profits. It will be given back to the women as savings to further develop and improve their businesses as well as their lives in general.

5th loan for Amani Group

All the women have already received the 5th loan in August, some in September.

5th loan for Mshikomano Group

The 5th loan is open and should be discussed for three women of the Mshikomano Group.

Education

This month there has been an increased focus on educating the women in the project through bookkeeping training, negative numbers, and basics in marketing training. Due to the low number of our team, we could not structure our training very well. That should be improved in the future when more volunteers are participating. Therefore reading and writing training should also intensify when the team is able to split the groups.

Bookkeeping Training and Negative Numbers

This month's group found that the women who can do their bookkeeping struggle the most with negative numbers. In order to teach them this we would go through the basics of maths and test them on bookkeeping exercise sheets. The women's ability to complete their bookkeeping improved over the month and fewer seemed to struggle.

We extended the bookkeeping training with focussing on the "expenses". We noticed that the women should define and calculate their expenses. It seemed to us that they are not familiar with "costs". The business women have appreciated this training very much and we decided to continue this training by interactive practising.

Marketing Training

As most of the women had relatively good bookkeeping this month we decided to give them some additional training. We focussed on the 4P's. The main reason for choosing this model was to encourage the women to consider and evaluate their overall environment and to think whether or not their business was the best for them given their current status. The women seemed to appreciate this training and it made them think about their business.

Business visits

Individual business visits have been done in all groups this month. All the women are very proud of what they are doing and were more than willing to show us their businesses. Every woman tries to improve her business with the loan and invest in stocks or buying a machine or other useful things. But that is still far away from strategic thinking and business planning. All are very keen on learning bookkeeping, marketing and English. There is only a need for a few to learn reading and writing.

Future Developments

- Prior to giving out loans to business women they should receive basic training on business planning including expenses, profit and loss and revenue streams. I have noticed that groups do not understand the basics of what their purchase of stock is going to cost them and how much they will be able to sell these products for. They are asking for loans yet can't articulate what they will use the money to invest in.
- Basic business plans are to be created prior to the giving of loans, work with the business women to get them to think about exactly what their business will look like and the costs to establish this and their purchases of stock. What their profit margins will look like in the sense of the cost of goods verses what they can sell for. What they are in fact going to invest the loan funds in?
- Interviews with the women prior to receiving loans would need to be more comprehensive so as to educate them from the start as to what they need to think about to make their business successful.
- Monthly planning at the start of the month as to what we want to achieve by the end when the report is to be written, for each individual group of women and also for us as project coordinators.
- Training on understanding cash flow forecasting, how it affects the business.
- Ensure that attending meetings is made mandatory to business women, no enforcement currently; I think they need to be made more accountable for their attendance.
- We should ask if the group of business women have any questions after their books are checked as we don't do that well currently.
- Try and attend when the women are actually operating their businesses, i.e. visit when they are working to see how they operate. This may mean moving some time around for visits throughout the week.