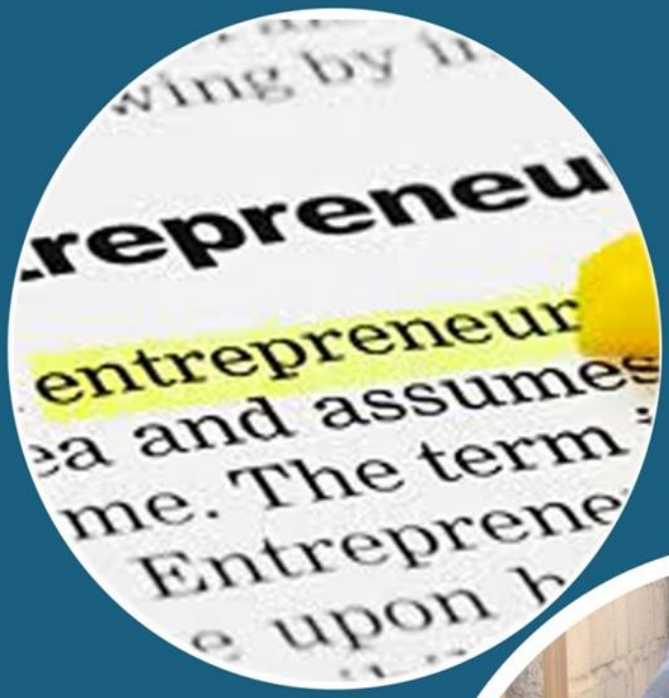
BASIC MODULE



TRAINING MANUAL

ON

HOW TO START AND MANAGE YOUR SANITATION BUSINESS

TABLE OF CONTENTS

ACKNOWLEDGEMENT

This manual was updated by CDC Consult Ltd. (2014) based on the original work of Natalia Agathou, WASTE, advisers on urban environment and development, Gouda, the Netherlands. More information: www.waste.nl

LIST OF ABBREVIATIONS AND ACRONYMS

CLTS	Community Led Total Sanitation
CSIR	Council for Scientific and Industrial Research
CWSA	Community Water and Sanitation Agency
ECOSAN	Ecological Sanitation
EPA	Environmental Protection Agency
EHSD	Environmental Health and Sanitation Directorate
GES	Ghana Education Service
GHS	The Ghana Health Service
GSGDA	The Ghana Shared Growth and Development Agenda
GSS	Ghana Statistical Services
MBGs	Major Business Goals
MES	Ministry of Environment and Science
MLGRD	Ministry of Local Government and Rural Development
MMDAs	Representatives of Metropolitan, Municipal, and District Assemblies
MOH	Ministry of Health
MWRWH	Ministry of Water Resources, Works and Housing
NESPoCC	National Environmental Sanitation Policy Coordinating Council
NESSAP	National Environmental Sanitation Strategy and Action Plan
UDDT	Urine Diversion Dry Latrine
PVC	Polyvinyl Chloride
VIP	Ventilated Improved Pit

INTRODUCTION, OBJECTIVES, AND BACKGROUND

Introduction

The document presents training materials to facilitate scaling up of rural sanitation in Ghana. It is based on an original manual developed for Sanitation Businesses titled ***"Start Your Sanitation Business"*** by Natalia Agathou, WASTE, advisers on urban environment and development, Gouda, the Netherlands. More information: www.waste.nl

Objective of the Training Manual

The objective of the manual is to provide guidance to new entrants and existing providers in the sanitation sector.

Specific objectives of the manual are:

- To assist individuals and businesses interested in venturing into the sanitation business with basic skills and ideas in generating viable business ideas;
- To equip individuals providing indirect services in the area of sanitation business and sanitation related activities with the requisite skills to venture into this area and manage their businesses;
- To equip sanitation business owners with relevant skills to manage, grow and sustain their businesses.

Upon completion of the course, it is expected that participants would have increased awareness on sanitation related issues and be well equipped with the necessary skills, tools and strategies to establish, manage and expand their sanitation businesses.

Target Participants

In developing the manual, cognizance was taken of the expected different levels of education and experience that participants will bring to training. These are as follows: in table 1.

Table 1: Target Participants for Training

Education Level	Individuals with basic or no education.
Experience Level	Individuals with no experience in the Sanitation business.

Structure of Manual

Levels	Category of Participants	Number of Years in Sanitation Sector
Basic Level	Individuals interested in operating in the Sanitation Sector (New Businesses); Individuals/businesses offering allied products and services to the Sanitation Sector (Potential Businesses).	Less than a year

The manual also comes along with a supporting **Standard Compulsory**. This is to enhance participants' understanding of the sanitation business model and environment in Ghana. It will also create awareness of the policy environment and existing business opportunities.

The focus of the respective modules is presented below:

1. The **Standard Compulsory Module** presents an Overview of Sanitation in Ghana Policies and Opportunities for small businesses in the sector.

2. The **Basic Level module** introduces participants to the concept of entrepreneurship and social entrepreneurship as well as basic tools for generating business ideas and starting a sanitation business.

UNDERSTANDING GHANA'S SANITATION ENVIRONMENT

MODULE OVERVIEW - UNDERSTANDING GHANA'S SANITATION ENVIRONMENT

LEVEL	ALL
Description	This module introduces you to the context of Sanitation in Ghana. It presents the various policies surrounding sanitation as well as the Growth Opportunities for individuals and businesses in the Sanitation Sector. The module also presents participants with other indirect/related sanitation services that can be ventured into.
Module Objectives	The module is designed to: • Introduce you to Ghana's Sanitation situation and make them appreciate the importance of sanitation. • Describe the various policies in line with sanitation in Ghana. • Explain various business opportunities available in the sanitation sector for small businesses in Ghana. • Discuss other indirect sanitation products and services that you and businesses may venture into.
Learning Outcomes	At the end of the module, you will: • Gain an improved understanding of Ghana's Sanitation situation. • Describe the various policies guiding sanitation in Ghana. • Identify opportunities for small businesses in Ghana, particularly in the area of sanitation. • Identify other sanitation related products and services that can be offered by individuals and businesses.
Sessions	• Sanitation in Ghana • Ghana's Sanitation Policy Environment • Growth Opportunities for Small Businesses in Ghana • Sanitation Related Products and Services
Target Group	• New Businesses – Individuals interested in operating in the Sanitation Sector. • Potential Businesses – Individuals/businesses offering indirect products and services in the Sanitation Sector.

SESSION 1: SANITATION IN GHANA

A. What is Sanitation?

Sanitation is defined as…

"The process of keeping places free from dirt, infection, disease, etc., by removing waste, trash and garbage, by cleaning streets, etc." – ***Merriam Webster Dictionary*** *(for the purpose of this manual sanitation mainly refers to liquid waste)*

"the provision of facilities and services for the safe disposal of human urine and faeces" – ***WHO***

"*The lowest cost option for securing sustainable access to safe, hygienic, and convenient facilities and services for excreta and sullage disposal that provide privacy and dignity while at the same time ensuring a clean and healthful living environment both at home and in the neighbourhood of users*" – ***MDG definition***

BASIC FACTS ABOUT SANITATION IN GHANA

DO YOU KNOW THAT……?

- Ghana loses **GHC420 million** annually due to poor sanitation.
- **16 million** Ghanaians use unsanitary or shared latrines.
- **4.8 million People** in Ghana have no latrines at all and defecate in the open.
- **20%** of Ghanaians defecate in the open and in some regions up to **80%.**
- Ghana is considered off-track when it comes to access to improved sanitation; with a Millennium Development Goal (MDG) target of **53%** national coverage on improved sanitation; the country, **as at 2013 had achieved 13%**.

B. Ghana's Sanitation Situation

Until 1994, sanitation in Ghana was heavily supply driven with central government in charge of delivery and managing infrastructure. The Municipal and District Assemblies were solely responsible for sanitation, which included the operation and maintenance of public latrine and faecal sludge treatment sites for no charge.

In recent times, the sanitation sector has been gradually reformed through the creation of an autonomous regulatory agency and also the inclusion of the private sector.

Ghana faces a serious challenge of limited access to sanitation as it is estimated that Ghana produces 3,125 tonnes of faeces daily, which is equivalent to about 3,000 cesspit tanker loads of faeces. Unfortunately, the country does not have facilities for the treatment of the faeces, less than 15% of the septage generated in Accra and Kumasi (the two largest cities) is effectively treated and discharged into many watercourses and streams in Ghana.

About 18% of the urban population use improved latrine facilities, whilst more than 2,000 households in Ghana rely on the banned pan latrines. An estimated 4.8 million Ghanaians practice open defecation with the poorest 20% of the population being likely to practice open defecation 22 times more than the wealthiest 20%.

Although, some progress has been made over the last few years, this has been slow, and the MDG target of 53% of the population having access to an improved sanitation facility by 2015 appears unlikely to be achieved. According to data from the Sanitation Directorate of the Ministry of Local Government and Rural Development, the national coverage for improved sanitation stood at 14% as at 2011, after stagnating at 13% for three consecutive years.

Ghana's inability to quickly address the issues on sanitation has led to an estimated annual loss of GHC 420 million, equivalent to US$290 million dollars[1]. Adding to the breakdown of the costs include epidemic outbreak costs (such as cholera) estimated at US$ 1.2 million each year and funeral costs estimated at an annual cost of US$ 2.9 million. The severity of these, including others such as losses made with respect to tourism (US$ 8.5 million) point out the urgent need to address sanitation problems and its associated issues.

To help improve the sanitation situation, Ghana has developed another Millennium Development Goal Acceleration Framework (MAF) for sanitation, to fast track the attainment of the MDG 7C by 2015 dabbed "Go Sanitation Go" (GSG).

The three (3) key strategic intervention areas identified for improving basic sanitation under the MDG Acceleration Framework (MAF) are, scaling-up **Community-Led Total Sanitation (CLTS) country-wide**, implementing decentralised treatment/disposal systems incorporating harvesting/re-use of biogas, and rolling out targeted Micro-finance credit scheme for household latrine construction.

[1] Economic Impacts for Poor Sanitation in Africa – Water and Sanitation Program (2012)

Community Led-Total Sanitation (CLTS)

The Community Led Total Sanitation (CLTS) is an innovative methodology for mobilising communities to completely eliminate open defecation (OD). Communities are facilitated to conduct their own appraisal and analysis of open defecation (OD) and take their own action to become ODF (open defecation free).

At the heart of CLTS lies the recognition that merely providing latrines does not guarantee their use, nor result in improved sanitation and hygiene. CLTS considers behavioural change as key to improved sanitation and hygiene.

Earlier approaches to sanitation prescribed high initial standards and offered subsidies as an incentive. But this often led to uneven adoption, problems with long-term sustainability and only partial use. It also created a culture of dependence on subsidies. Open defecation and the cycle of faecal–oral contamination continued to spread disease.

In contrast, CLTS focuses on the behavioural change needed to ensure real and sustainable improvements – investing in community mobilisation instead of hardware, and shifting the focus from latrine construction for individual households to the creation of open defecation-free villages. By raising awareness that as long as even a minority continues to defecate in the open everyone is at risk of disease, CLTS triggers the community's desire for collective change, propels people into action and encourages innovation, mutual support and appropriate local solutions, thus leading to greater ownership and sustainability.

Since the inception of the CLTS concept in the Upper East Region, Ghana, 332 communities have been triggered, with a total number of 8,206 houses. Out of the 332 communities, 212 of them had stopped open defecation. This is because, out of the 8,206 houses, 2,396 of them have latrines. There are also 534 soak away pits and 930 hand washing facilities attached to these latrines. Even though most of these communities were triggered in late 2012 and early 2013, they have made significant impact with regards to sanitation. Diseases such as typhoid, cholera, diarrhoea, and other diseases associated with sanitation have reduced drastically in the piloted communities.

SESSION 2: GHANA'S SANITATION POLICY ENVIRONMENT

The Ministry of Local Government and Rural Development (MLGRD) published the **National Environmental Sanitation Policy** in May 1999 to address the basic principles of environmental sanitation, problems, and constraints.

A coordinating council, the **National Environmental Sanitation Policy Coordinating Council (NESPoCC**) has further been put in place since January 2000 to advance the implementation of the National Environmental Sanitation Policy. The membership includes:

- The Ghana Health Service /Ministry of Health (GHS/MOH);
- Ghana Education Service (GES);
- Ministry of Environment and Science (MES);
- Environmental Protection Agency (EPA);
- Representatives of Metropolitan, Municipal, and District Assemblies (MMDAs);
- Council for Scientific and Industrial Research (CSIR);
- The Private Sector and Non-governmental Organizations.

Generally, the NESPoCC is responsible for coordinating the policy and ensuring effective communication and cooperation between the many different agencies involved in environmental management in their respective Districts. The national laws, specifically the Criminal Code (Act 29), 1960, and Revised Bye-laws of all the MMDA's have enough laws to support the Environmental Sanitation Service delivery and enforce the compliance of sanitation rules.

Below are key policies designed to facilitate progress in the Sanitation Sector.

POLICY	FUNCTION
Government Medium Term Development Policy Framework.	The Ghana Shared Growth and Development Agenda (GSGDA) which replaced the Growth and Poverty Reduction Strategy II is the Medium Term Development Policy Framework for the period 2010-2013. Within this development agenda is the Government of Ghana's commitment to accelerate the provision of improved environmental sanitation. The Medium Term Development Policy Framework for the period 2014 – 2017 is yet to be published.
National Environmental Sanitation Policy (2010)	The overall goal of this policy is to develop a clear and nationally accepted vision of environmental sanitation as an essential social service and a major determinant for improving health and quality of life in Ghana.
National Environmental Sanitation Strategy and Action Plan (NESSAP)	The NESSAP is a response to the need to refocus attention on environmental sanitation in Ghana and provide clear strategies and action plans that will guide implementation by Metropolitan, Municipal and District Assemblies (MMDAs).

POLICY	FUNCTION
The Environmental Protection Agency (EPA) Act, 1994 (Act 490)	This act established the Environmental Protection Agency (EPA), which is mandated to provide environmental standards and compliance management.
Community Water and Sanitation Agency (CWSA) Act, 1998 (Act 564)	A portion of the policy seeks to facilitate the provision of sanitation services to rural communities and encourage active involvement of communities in designing, planning, construction, and community management of sanitation projects.

Below are key institutions and agencies regulating the Sanitation Sector:

INSTITUTION	FUNCTION
The Environmental Health and Sanitation Directorate (EHSD) under the Ministry of Local Government and Rural Development (MLGRD)	The EHSD provides sector coordination and facilitation of MMDAs in implementing national-level and other ministries programmes on environmental sanitation.
National Environmental Sanitation Policy Coordinating Council (NESPoCC)	The council has been put in place since January 2000 to advance the implementation of the National Environmental Sanitation Policy.
The Community Water and Sanitation Agency (CWSA) under the Ministry of Water Resources, Works and Housing (MWRWH)	Plays an important role in sanitation and hygiene promotion in rural areas.
The Ministry of Health (MoH) and the Ghana Health Service	These institutions are responsible for the management of health services in the country and providing health data, supporting health education activities, and contributing to regulation and standard-setting for health services. The health sector relies on environmental sanitation data and information to contribute to disease prevention and control.
The Ghana Statistical Services (GSS)	The statutory institution responsible for demographic data and official government statistics. GSS provides coverage data on environmental sanitation services.

SESSION 3: BUSINESS OPPORTUNITIES IN GHANA'S SANITATION SECTOR

There exists several opportunities in the Sanitation Sector for Small Businesses. The bottom-line is that everybody needs sanitation facilities. As stated in the previous sections, the sanitation sector in Ghana has not been given much attention leading to several gaps including:

- High prevalence of open defecation in the country.
- Low supply of improved latrine facilities in Ghana.
- The usage of unhygienic and health threatening pan/bucket latrines in some households.
- Ineffective treatment of human waste.
- High percentage of low income earners who are unable to afford adequate sanitation products and services.

However, within these gaps are opportunities that small businesses can tap into to create wealth for themselves and employment in their communities. The Sanitation Entrepreneurs Chain below shows the various areas along which value can be created for those in need of sanitation products and services.

Figure 1: Sanitation Entrepreneurs Chain

From the diagram, it is clear that opportunities exist for small businesses in:

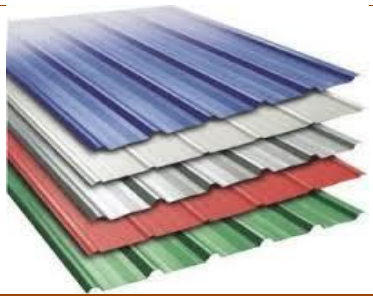
- Latrine Construction – building latrines for households, schools, churches and communities
- Latrine Operation and Maintenance – building latrines for members of the public to use it at a fee and also maintaining existing latrines
- Latrine Emptying – dislodging/draining full latrines
- Excreta Valorisation – recycling and reuse of excreta
- Wholesale and retail of Latrine construction parts – sale of materials and tools used in construction of latrines
- Provision of education and training – training artisans in the construction and maintenance of toilets

Have you thought of which sanitation product or service you would want to provide?

End of session discussion – Refer to Discussion 1 in Work Book

SESSION 4: SANITATION RELATED PRODUCTS AND SERVICES

Aside the direct services that can be provided in the sanitation sector, there are other sanitation related services that can be offered by individuals and businesses in Ghana. These also present opportunities for small businesses. These include:

Sale of Water tanks	
Sale of building blocks	
Sale of Wood	
Sale of Detergents and other cleaning agents	
Sale of Roofing Sheets	

Refer to Discussion 2 in the Work Book

STARTING YOUR OWN SANITATION BUSINESS

MODULE OVERVIEW - STARTING YOUR OWN SANITATION BUSINESS

LEVEL	BASIC
Description	This module is designed to equip you with basic knowledge, skills, tools, and techniques to start their sanitation businesses. It explains the concept of entrepreneurship and social entrepreneurship and equips you with strategies in selecting viable sanitation business ideas. It provides you with an introduction to the various types of business structures to consider in starting a business, the various factors to consider in assessing your market as well as basic strategies for growing and sustaining your businesses. The module also provides you with techniques in building and sustaining business alliances and networks and with basic tools every start-up entrepreneur must have at hand.
Module Objectives	This module is designed to help you: • Explain the Concept of Entrepreneurship including characteristics of an entrepreneur and the distinction between entrepreneurship and social entrepreneurship and to take pride in your business; • Develop viable business ideas around sanitation and identify tools to be used in assessing the feasibility of your business ideas; • Select basic business models, assess your markets and develop business strategies with simple tools and techniques; • Identify the various sources from which to raise capital for a new or infant business; • Assess the Strengths, Weaknesses, Opportunities and Threats of a business; • Identify techniques to initiate alliances and networks; • Identify basic skills and tools of business management.
Learning Outcomes	At the end of this module, you will be able to: • Distinguish between entrepreneurship and social entrepreneurship and deepen your appreciation of the sanitation business as a noble and valuable business model critical for their respective communities; • Describe the characteristics of an entrepreneur; • Develop business ideas around the area of sanitation; • Assess the feasibility of your business ideas; • Select appropriate business models, assess your immediate markets and develop business strategies for your sanitation businesses; • Identify appropriate sources of capital as start up or infant entrepreneurs; • Assess the Strengths, Weaknesses, Opportunities and Threats of your businesses yourselves as business owners and develop simple tasks aimed at sustaining personal strengths and addressing personal weaknesses ; • Initiate and build relationships with immediate contacts in the communities and areas of operations; • Identify the basic business conducts you must adopt and uphold as entrepreneurs.

Sessions	1. Introduction to Entrepreneurship 2. Introduction to Social Entrepreneurship 3. Generating your Sanitation Idea – Ideas Formulation Techniques 4. Assessing the Feasibility of your Business Idea 5. Selecting your Business Model, Market and Strategy. 6. Raising Business Capital 7. The SWOT Experience- Personal SWOT Assessment 8. Developing Personal Development Plan 9. Identifying and Building Relationships (Alliances and Networks) 10. The Entrepreneur's Toolkit

SESSION 1: INTRODUCTION TO ENTREPRENEURSHIP

A. What are Businesses?

Businesses are activities that **provide goods and services in exchange for money or other goods and services**.

Think about some businesses found in your community.

B. What is Entrepreneurship?

Entrepreneurship has been defined by different people in several ways:

"A way of thinking, reasoning, and acting that is opportunity driven, holistic in approach and leadership balanced[2]";

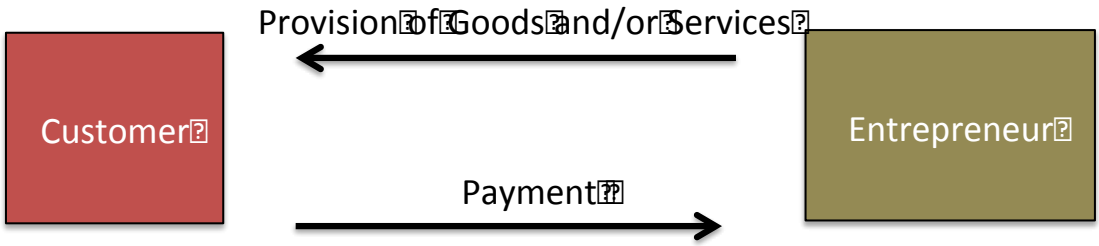
'Entrepreneurship is risk-taking[3]"

"An entrepreneur is a person who organizes and manages a business assuming the risk for the sake of the potential return[4]"

C. Who is an entrepreneur?

An entrepreneur is someone who starts or operates a business venture and assumes the responsibility for it. The entrepreneur likes to find business solutions to address problems. He/ She can add value through the following and more:

- Creating a new product or service
- Enhancing the efficiency of existing product or service
- Promoting access to products and services



[2] Timmons (1997)
[3] en.wikipedia.org/wiki/**Entrepreneurship**
[4] www.studystack.com/flashcard-534924

What is the **main difference** between **an Employee and an Entrepreneur?**

An employee is someone who earns a living by working for someone else's business.

Entrepreneurs are people who start their own business enterprises and work for themselves.

Consider this: "Why should I risk my resources in an unpredictable business when I could hold a stable job which offers a regular monthly income without any risk?" In other words, why be an entrepreneur when you can be an employee?

Having your own business can have big rewards (such as having flexible hours, being able to put your own ideas into practice as well as having greater control) **but be sure to weigh returns and profits against potential risks and losses!**

D. Characteristics of Entrepreneurs including Ghanaian Entrepreneurs

There are some key competencies, personal characteristics that a person should have, in order to set up and run a business. Below are some characteristics of entrepreneurs:

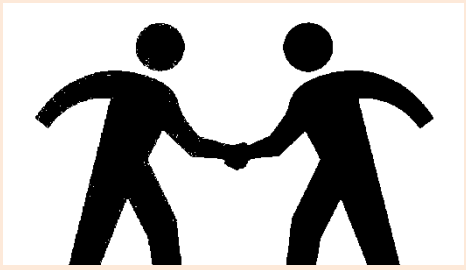
Innovative and Creative

Motivated and Confident

Willing to take risks

Eager to Learn

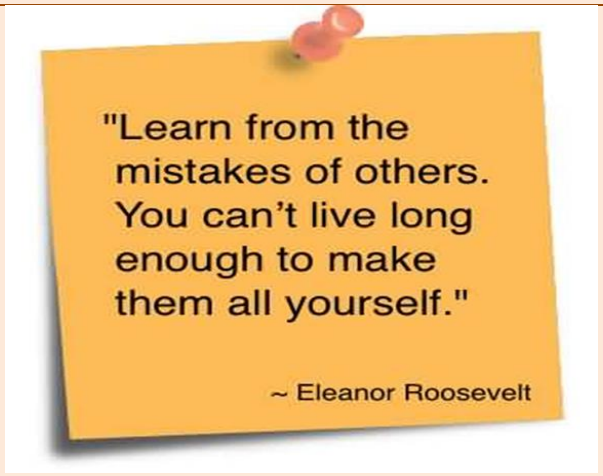
Honest



Able to co-operate with others

Able to identify opportunities

Determined to overcome obstacles



Able to learn from the mistakes they make and that of others

Hard work

Most entrepreneurs are not born with the above qualities; however, they usually acquire them through learning and continuous practice. These qualities help the entrepreneur to think, analyse, solve problems and take action.

Refer to Exercise 1 in Starting your Own Sanitation Business Work Book

E. Sanitation Entrepreneur

An individual who sets up his own business in the sanitation sector is a ***Sanitation Entrepreneur***. A **Sanitation Entrepreneur** provides sanitation goods or services to individuals or businesses for payment.

F. Why is the Sanitation Entrepreneur Important?

Sanitation businesses are critical to every community, as every household needs to dispose of their faecal and other waste and ensure hygienic conditions. Sanitation businesses are needed to:

1. Build latrine facilities;
2. Build Septic tanks;
3. Sell parts of these latrine facilities;
4. Sell detergents and other sanitation related products;
5. Provide latrine emptying services;
6. Provide latrine treatment services, etc.
7. Undertake maintenance and repairs of latrine facilities.

That said, Sanitation Entrepreneurs are very valuable to every society for without them, households would not be able to manage their faecal waste effectively which could lead to very serious health problems for communities all over Ghana.

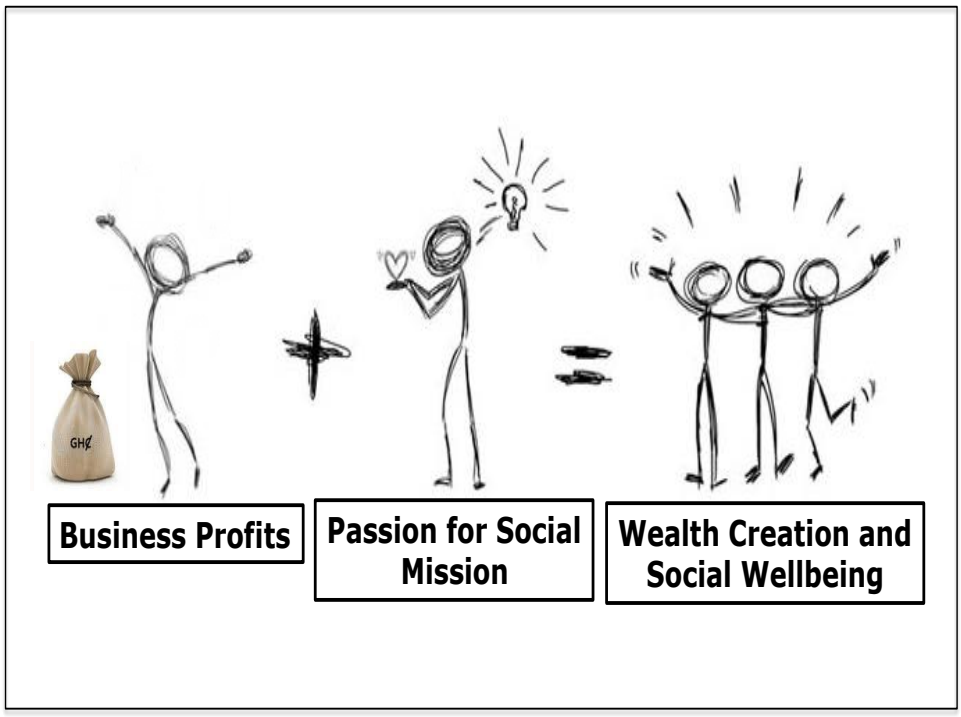
	***Refer to Exercise 2 in Starting your Own Sanitation Business Work Book***

SESSION 2: INTRODUCTION TO SOCIAL ENTREPRENEURSHIP

What is Social Entrepreneurship?

Social entrepreneurship ***"combines the passion of a social mission with an image of business-like discipline, innovation, and determination".***

Social entrepreneurship uses business to solve social problems. The social entrepreneur targets his/her business at the "underserved, neglected, or highly disadvantaged population that lack the financial means or political power to achieve the transformative benefit on their own."



Examples of Social enterprises making impact in the Sanitation Sector of Ghana include: Waste Enterprises; Clean Team Latrines; Zoomlion; Larsen Ghana Limited; City Waste Management Company Limited among others.

Difference between an Entrepreneur and a Social Entrepreneur…	
ENTREPRENEUR	**SOCIAL ENTREPRENEUR**
The entrepreneur's final objective is wealth creation.	• To the social entrepreneur, wealth creation is simply a means to an end. • The social entrepreneur participates in profit-seeking business ventures to use the profits generated to create valuable social programs for the whole community.

Benefits of Social Enterprises

Social Enterprises like those outlined above have gone a long way to:

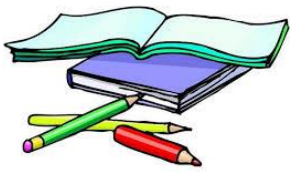
1. Create job opportunities, especially for the underprivileged groups.
2. Promote Innovation and Creativity.
3. Involve communities in solving their own problems.
4. Contribute to community growth and development.

With the introduction of Social Entrepreneurship, current and potential **Sanitation Entrepreneurs** should be able to take advantage of the Sanitation business model to create positive impact in their various societies.

Characteristics of Social Entrepreneurs

Social Entrepreneurs all over Ghana share some characteristics, which have been outlined below. Generally, Social Entrepreneurs are:

1. Social Catalysts
2. Socially Aware
3. Opportunity Seeking
4. Innovative
5. Resourceful
6. Accountable
7. Passionate about societal wellbeing



Refer to Exercise 3 in Starting your Own Sanitation Business Work Book

SESSION 3: GENERATING YOUR SANITATION IDEA – IDEAS FORMULATION TECHNIQUES

A. Opportunity

What is an opportunity?

"a situation or condition favourable for attainment of a goal[5]"

Entrepreneurs generally recognize opportunities where others see problems. Many famous businesses have been started because an entrepreneur solved a problem by turning it into a successful business. The problem was treated as ***an opportunity***.

To become a **Sanitation Entrepreneur** who can recognize business opportunities, ask yourself questions such as:

1. *What frustrates me the most when I look at the way people defecate in the open in my community?*
2. *What product or service would really improve sanitation issues in my community?*
3. *What sanitation issue makes me particularly annoyed?*
4. *What product or service would eliminate that annoyance?*

Refer to Exercise 4 (Group Activity) in Starting your Own Sanitation Business Work Book

B. Skills

We all have skills that we use in our day-to-day life. We can use some of these skills (or a combination of them) to launch a viable sanitation business. Some useful skills include:

- Problem Solving Skills
- Managing oneself and employees/others effectively
- Communicating well with others
- Repair and Maintenance of equipment
- Carpentry
- Plumbing
- Masonry.

Skills that will help us in business are likely to be a combination of personal qualities and technical knowledge acquired from training or apprenticeship. Most of these skills become very important when starting a

[5] http://dictionary.reference.com/browse/opportunity

business. For instance an individual with skill in carpentry can decide to use that skill to build latrine structures to give people more privacy when they use them.

Do you have any skills that you think would be helpful in solving a problem or eliminating a frustration you have observed?

Refer to Exercise 5 (Group Activity) in Starting your Own Sanitation Business Work Book

Once you recognize entrepreneurial opportunities, a business idea may be formulated by addressing those problems.

C. The Sanitation Entrepreneurs Chain

As an entrepreneur you should always try to remember that it is good to see yourself and your business as part of a chain and try to cooperate with other parts of the chain. In other words, you could try to investigate whether the product or service you offer is complementary to other products and if your product or service could complement other people's business.

The diagram below shows the general areas in Sanitation around which businesses can be formed right from the capturing of faecal matter in a latrine facility to the reuse of treated faecal sludge.

Where do you see your business idea in the ***Chain***?

- **Latrine Construction;**
- **Latrine Operation and Maintenance;**
- **Latrine Emptying;**
- **Excreta Valorisation.**

The ***Sanitation Entrepreneurs Chain*** shows the chain of possible entrepreneurs involved in the handling of human excreta. This implies that in whichever part of the chain you are in, it is advisable to try to relate positively with the entrepreneurs that are a step before or after you in the chain.

Refer to Exercise 6 (Group Activity) in Starting your Own Sanitation Business Work Book

SESSION 4: ASSESSING THE FEASIBILITY OF YOUR BUSINESS IDEA

A. Feasibility

Feasibility can simply be said to be the processes of determining if the proposed business idea would work. You might come up with the most brilliant and innovative idea. Let's say for example, that you can recover faeces or urine and make fertilizer pellets out of it. As an entrepreneur you might have the fire for pursuing the idea but this is not enough. You need to identify whether there is a market that would potentially demand your product so as to be able to make money out of the whole effort.

B. Assessing Demand

To assess demand simply means to understand whether there are enough potential customers to keep you in business. Assessing demand is the most important step for you, because you might have in your possession the perfect machinery or the best artisan to design your latrines or other sanitation related products **but if you don't have somebody to pay for it then you will not have a business**. Instead, you might find out that there is demand for another type of latrine or emptying service from the households and you would prefer to provide that product or service.

	***Refer to Exercise 7 (Case Study) in Starting your Own Sanitation Business Work Book***

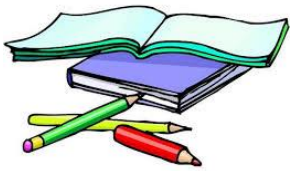
People (customers) will have demand for your sanitation product or service based on the benefits (quality) these products or services offer them. Demand goes with benefits from a product or service. That means that you should not expect people to ask for your products if the products do not meet their expectations or satisfy their needs.

The first step in starting a sanitation business or any other business is to identify a need in the community. Estimating the number of people who have that need is referred to as assessing demand. Effort should not be put into any other part of business planning before the demand has been assessed.

A list of methods of gathering information for assessing demand for your product/ service includes:

- Listening to people's complaints about a need in the community;
- A need highlighted in the local newspaper, radio, by a community head etc.;
- Peer interviews;

- Informal surveys in the community;
- Questionnaires.

	***Refer to Exercise 8 and 9 in Starting your Own Sanitation Business Work Book***

SESSION 5: DEFINING YOUR MARKET AND MARKETING STRATEGY

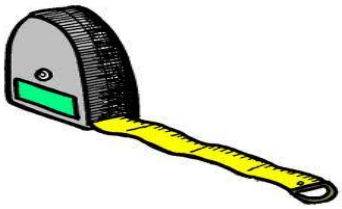
A. Defining your Market

The people in the community who need your product or service and are willing to pay for it are the market. It is actually the people who constitute the demand for your product or service.

Answers to the following will guide you in defining the market for your product or service.

- Who will be your customers?
- What benefits will you provide them?
- How will they know about you?
- How many of them are there?
- How many customers do you need to stay in business?
- What are their buying patterns?
- Where do they currently buy from?
- What incentive will you offer them to buy from you?

B. Estimating your Market Size



Once you decide on whom your main clients will be then you also need to make a rough estimation of how many there are going to be. This is surely not a simple calculation and you can never know exactly how many people will come to you. However, you just try to make a good guess.

A piece of advice is: "Start small and then grow!"

You can start by asking your neighbours and see how many respond positively. Then based on the number that shows interest you can make the hypothesis that if they are happy they will tell their family and friends to patronise. Always try to start with a solid base of clients from which you are more or less sure they will buy from you! This type of information is referred to as primary data

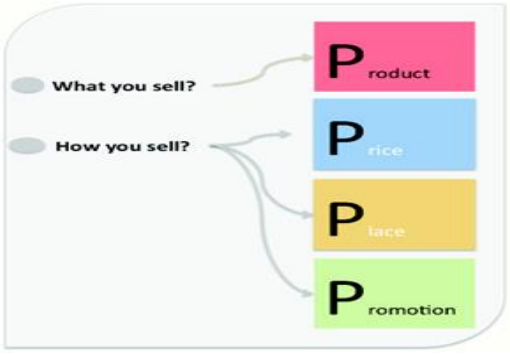
One other reliable source is secondary data, depending on the type of product or service you are offering data on potential customers may be available at the EHSU at the Assembly about the number of households in need of the service.

C. Your Marketing Strategy

A marketing strategy is a marketing plan designed to reach your market. Marketing strategy is simply planning what product or service you will offer your customers, how the products will be made available, how customers will know about the products and the price at which the products and services will be sold. The market must be aware of the availability of the product or service and be able to acquire it. Helping the community to know about a product or service and how to acquire it is a marketing strategy.

Based on that you will decide what products or services you are going to sell and how you are going to sell it to your clients deciding at what price, at which place and how you are going to make it known this is just what is referred to as the marketing strategy. It is simply planning for the 4 Ps and also known as the 'Marketing Mix'

- Product
- Price
- Place
- Promotion



Product the first P is the products and services that your business offers for sale to the market. It involves the design of the product and its features.

Price is the amount of money that customers must pay in order to acquire your product or service. In setting the price, you need to consider discounts, credit and cash sales.

Place is how the products will be offered to customers and involves distribution, location and all other methods used in getting the product or service to the customer.

Promotion is how to communicate the benefits and value of your product or service to customers. It involves how to convince people to become your customers through the use of adverts and sales promotion.

SESSION 6: RAISING BUSINESS CAPITAL

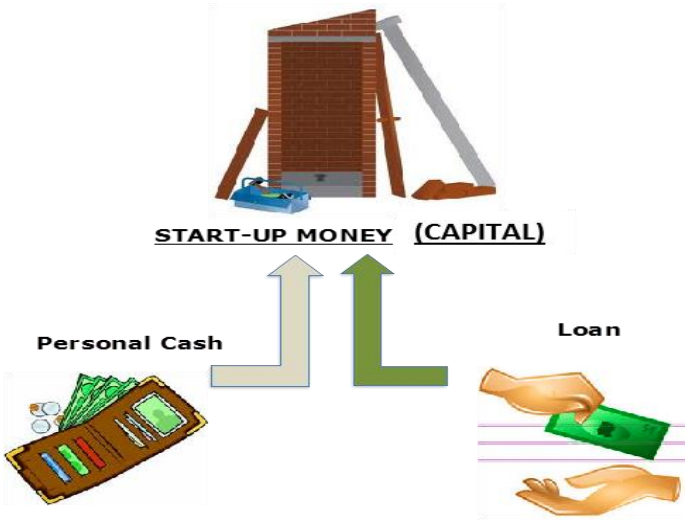
A. What is a business capital?

It is money that is invested in a business or project.

Business capital is required to start and operate the business.

Entrepreneurs need to have a strategy or game plan on how to raise capital for their business.

This capital would be used to finance elements like equipment, inventory, a truck, etc. that would be needed to start operations.

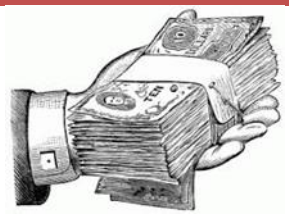


Obtaining Funds

The funds for launching the business may be obtained from one or a combination of sources including: personal savings, family funds, microfinance organizations, banks, etc. It may be necessary for you to open an account with a bank or financial institution to qualify to obtain financial assistance from such institutions.

Below are a few sources of funds for your start-up Sanitation Business:

Sources of finance		Category/Type	Cost of Capital
Gifts			Normally free but could bring about a lot of interference from the giver
Entrepreneurs own savings		Could serve as either contribution or loan to the business	The immediate cost is the return on other investments foregone
Family, Friends, Acquaintances		Could serve as either equity/contribution or loan to the business	If it comes as a loan, the cost is the interest. If equity/ contribution, cost the expected dividend
Banks		Loan (Debt)	Interest, processing fees and other processing charges

Sources of finance		Category/Type	Cost of Capital
Venture Capital		Equity /Debt	Dividends/interest / control
Leasing/ Hiring of Equipment		Debt	Interest
Other Investors		Equity/Debt	Interest and Dividend

For each of the above sources, you need to consider the cost involved carefully before choosing it. It is important to consider when the business will start generating money and the payback time required especially if it is a loan. You can also use a combination of two or more, just remember that no one will be willing to invest more than you have invested in your business. Whichever option you use, thus debt or equity make sure you stick to the terms and agreement.

One effective way of raising capital for a business is developing a business plan.

Business Plan as a Tool for Raising Capital

A detailed business plan can also assist you as a sanitation entrepreneur to raise funds for your business. A business plan is a written document that details a proposed or existing business venture. It explains the business' vision, current status, expected needs, defined markets and projected results.

- A Business Plan helps to define the goals of your business, why you think those goals are attainable and how you will attain them.
- A Business Plan looks ahead, allocates resources, focuses on key points and prepares the business for problems and opportunities.
- A Business Plan sets objectives, defines budgets, engages partners, and anticipates problems before they occur.

The Business Plan should be a realistic view of your expectations as a business owner. It provides a structure in which a business must operate to either succeed or fail. One important reason why you must have a business plan for your sanitation business is because it serves as a basis for discussion with third parties such as potential investors, financial institutions and other stakeholders.

The development of a detailed business plan will show whether or not your business has a potential to succeed and make profits. As a communication tool, it is used to attract investment capital, secure loans, and assist in attracting strategic business partners. Whatever the form of investment used, equity, grants or bank finance, any potential investor or lender will examine the financial element of your business plan very closely to determine whether or not it is worth investing in.

Developing a Business Plan

There is no standard format for writing business plans, it is however important that your business plan cover certain relevant sections. As a small business, your business plan can follow the following format. It should contain the following Sections:

1. An Executive Summary
2. A written overview of the business, including product or services and management team.
3. The Market
4. The Financials
5. Appendix.

The backbone of the business plan is the financial planning section. When seeking funding clearly state the financing you need, based on your financial projections. Take a little time to consider all the sources and seek careful advice as to the most suitable financing mix for your business.
Most new businesses are under capitalised. If this is how your business starts off, it is very difficult to correct it. It is important to be honest about how much money will be needed to fund the operation of your business for the first year at least, and then to discount even further your expectations of income and cash.

Presented below are the main areas you should concentrate on to ensure that you are providing potential investors with a well thought out financial plan:

Income forecast	The income forecast provides information on the amount of income you envisage receiving within a period of time. If your business is already operational in any way, use those figures to estimate the year's numbers. If your business is not in operation, you can obtain such figures by studying other similar businesses or making assumptions as to sales and costs.
Cash flow Forecast	This is simply a monthly estimate of all the money you will expect to come in and out of the business. Potential Investors will expect to see estimates of how much financing you will need for 2 to 3 years or until you start making profits.
Projected balance sheet	A projected balance sheet outlines what you forecast your business will own (assets) minus what it will owe to others (liabilities) in order to determine its net worth (the value of the business) at any particular point in time. Assets are resources such as inventory, cash, or equipment. Liabilities are debts owed to others, both short-term and long-term.
Break even analysis	Your breakeven analysis tells you at what point your total costs equal your total revenue? It tells you when you can expect to begin making profits. It is essential to know this before you proceed with your sanitation business. Lenders expect to see this information in addition to the other statements, as part of your documentation. If it appears that the breakeven volume of sales cannot be achieved, then the business may be destined to fail and should be abandoned before investing further time and money.
Repayment options	The repayment option presents the various means by which money borrowed from an investor will be paid, i.e. how investors will get their money back and when

Refer to Exercise 10 in Starting your Own Sanitation Business Work Book

SESSION 7: THE SWOT EXPERIENCE- PERSONAL SWOT ASSESSMENT

Once you are clear about your idea, you need to think what will facilitate your success in what you are doing and what will threaten your efforts. You need to think first of all at a personal level, what are your **strengths** and **weaknesses** and then on a general level, what are the circumstances that will provide **opportunities** or **threats** to what you are doing. This is called SWOT

S What are your **Strengths?** • *The things you do very well in* • *Your unique value proposition* **What should you do with them?** • *You should make sure you maintain them*	W What are your **Weaknesses?** • *The things you do not do very well in* • *Things you should improve* **What should you do with them?** • *Understand why you are weak in those areas and think of ways to improve*
O What are the **Opportunities** visible around you? • *The things you should look for and try to use for your own benefit* **What should you do with them?** • *Use opportunities that can bring additional value to your operations* • *"Open your eyes" to look out for opportunities*	T What are the **Threats** to your sanitation business? • *The things can affect the survival of your business* • *The circumstances that are not controllable and may be unpredictable that can be detrimental to the survival of your business* **What should you do with them?** • *Organize yourself in such a way that will allow you to adapt quickly to the new situation*

Refer to Exercise 11 in Starting your Own Sanitation Business Work Book

SESSION 8: DEVELOPING PERSONAL DEVELOPMENT PLAN

A. What is a personal development plan?

Your personal development plan is simply an objective to understand yourself and to define your objectives as a Sanitation Entrepreneur. It allows you to:

- Take control of your journey as a Sanitation Entrepreneur;
- Attain a clear and inspiring idea of what you want to achieve in the future;
- Equip yourself with the necessary tools for success as a Sanitation Entrepreneur.

In order to create a personal development plan, you need to:

- First, understand yourself so you can set meaningful goals
- Define these goals in terms of what you want to achieve and the steps you need to get there
- Identify gaps in your skills and experience and create an action plan that will fill them in, so that you start to move you closer and closer to your goal

B. Understanding yourself

The best way to know yourself is to perform a personal SWOT analysis of yourself. Since you have already done that, you can place your answers in the table below to continue with the **Personal Development Plan**.

By knowing your strengths, you can focus your efforts on the things you're good at, and by understanding your weaknesses, you know what to avoid, what to improve, and where to get help from people who do those things better.

Taken together, your strengths and opportunities help you to identify potential long-term success as an entrepreneur. Your weaknesses and the threats you face are those things that determine likelihood of success and that need to be mitigated, or planned for, to ensure your goal remains achievable.

	***Refer to Exercise 12 in Starting your Own Sanitation Business Work Book***

Define your goals

Now that you are clear on your strengths and weaknesses, the opportunities available to you and threats you are likely to face, you're equipped to start thinking about where you want to go as a ***Sanitation Entrepreneur***.

You start the process by creating a "mission statement" for yourself that sets out your long- term business aspirations. This would then be broken down into a set of Major Business Goals (MBGs) that will help you achieve your mission.

Sanitation Entrepreneur's Mission Statement

A mission statement is the fundamental starting point for your Personal Development Plan that provides your direction in your career as a Sanitation Entrepreneur. When writing your mission statement, remember this is your long-term vision for yourself. To make it easier for you, ask yourself "Where do I want to see myself as a sanitation entrepreneur in five (5) years?"

Your Sanitation Mission Statement is very personal so there's no formula for writing one. For example, one person might choose a very specific mission such as:

"I want to *supply all households in my community with safe and hygienic latrines by age 45",*

On the other hand, another person could be less specific and say perhaps:

"To *really make a difference and improve sanitation in my community."*

C. Major Business Goals (MBGs)

With your mission statement as your guide, now break down your long-term goal into manageable pieces. To do this you set Major Business Goals (MBGs). These are major steps toward accomplishing your mission. You will use these goals to ensure that your Personal Development Plan is on track.

So for instance, if you are 40 years old and your Mission Statement states "**I want to *supply all households in my community with safe and hygienic latrines by age 45",*** you must ask yourself what major accomplishments you need to have within those five years to get to achieve that objective. Some accomplishments could include taking a short course in installing latrines, raising capital to a certain amount and perhaps, forming relationships with major stakeholders in your community.

Refer to Exercise 14 in Starting your Own Sanitation Business Work Book

D. Setting SMART Goals

Whenever you need to set a goal, be sure to follow the 'SMART' principle. For your goals to be meaningful and attainable, they need to be:

Specific – make sure your goal pertains to one particular outcome.

Measurable – there must be a definable end point so you know exactly when the goal has been accomplished.

Achievable – you must be reasonably able to accomplish your goal otherwise you will frustrate yourself and risk damaging your self-esteem.

Realistic– goals must relate to what you're ultimately trying to achieve.

Time bound – there has to be a time requirement, otherwise your goal can sit unaccomplished forever.

Creating the Personal Development Plan

Now that you have prepared your mission statement and your goals into a measurable and actionable format you can begin to create your Personal Development Plan that you will be able to refer back to regularly to help you make solid progress towards your Entrepreneurial mission.

Action Plan

Now you are ready to put together the information you've been gathering to create an Action Plan. This contains the short term Development Goals and actions that you can start work on straight away to help you build the skills and experience needed to achieve your Major Business Goals.

SESSION 9: IDENTIFYING AND BUILDING RELATIONSHIPS (ALLIANCES AND NETWORKS)

What is a business network? Why is it important to build a network of sanitation entrepreneurs, clients and related businesses? Businesses and entrepreneurs do not exist in isolation. Each business relies on another to produce products or provide services for customers. If you are in the latrine building business or you are thinking of starting a latrine building business, you would need to think of raw materials such as cement, blocks, wood and other equipment to provide your product or service. These raw materials come from suppliers who are also entrepreneurs. You would also need a network of clients and individuals who require sanitation related services to help you extend your market beyond only those you know. Remember that people you know also know other people and can recommend you to their friends and families. As a sanitation entrepreneur, you would need to build networks and relationships with these individuals constantly to be able to grow your business in the long-run.

This session presents five key points in identifying and building relationships in the sanitation business.

1. Ask your current/on-going network for new contacts. Your current network includes:

- Friends and family;
- Neighbours;
- Classmates;
- Current clientele;
- Previous employers and co-workers.

2. Use your daily activities to your advantage.

Your everyday social activities can provide great connections. For example, when travelling in a 'trotro' or taxi, start a conversation with another passenger; start a conversation on a topic they will be interested in. Such activities afford an opportunity to market yourself and your business. Be yourself and do not bring up your business unless the conversation leads to that direction. Be careful not to come on too strong and irritate a potential client.

3. Join or form a group of Sanitation Entrepreneurs

Groups provide an outstanding opportunity to network. They also allow you to invent more cost effective ways of collaborating and partnering with others in your field. In case there is a cooperative union in your community, this would be another great opportunity to network. Feel free to join. However, before joining any organization, be sure to research the organization and make sure it is the best option for you and your business. Some key questions to ask are:

- Do they pay membership fees and how often are they due?

- Is there a certain time commitment expected of members?
- Do they have workshops and training for members (opportunities to meet people nationwide)?
- How active are the members; will they participate as much as you will?
- Is the organization focused on your industry?
- How would the group or union help you grow as a sanitation entrepreneur?

4. Attend Sanitation conferences and Workshops

Workshops and conferences provide an opportunity to expand your network, but they also provide a lot of information about the latest trends and developments in Sanitation. Be very alert to any announcements about workshops or trainings of this kind as these will open opportunities for you to better your business idea or approach.

5. Help others establish their network.

If you help others build contacts or relationships, they will likely help you as their own network expands.

SESSION 10: THE ENTREPRENEUR'S TOOLKIT

The Toolkit

To be able to run a successful sanitation business, Sanitation Entrepreneurs need to satisfy a consumer need, maintain lower costs and high sales and keep good records. To do this, Sanitation Entrepreneurs need to equip themselves with certain tools for success. These tools include the following:

- Management skills;
- Communication skills;
- Time management and Planning skills;
- Business Ethics.

Management Skills

Sanitation Entrepreneurs should have control over what they do in their working life. By managing their own business, they have the opportunity to shape their work environment and make an impact on their community. One needs management skills to make the business successful as well as to convince the community that it can only help them, or at least can do them no harm. A good manager is a planner, a person who has vision, sets goals for achieving that vision and ensures the necessary resources, financial and human, are obtained and allocated in time.

Key qualities of good managers include:

- Reliability;
- Integrity (Financial and Ethical);
- Ability to lead;
- Ability to set a goal and work towards it in small steps;
- Eagerness to meet obligations.

Time Management and Planning Skills

Managing time is an essential part of good business planning, because time is a resource that has monetary value. Poor time management usually leads to last-minute rushes to meet deadlines, causing stress and inferior performance. This may result in a product or service of poor quality, which may not even, be delivered in time. A disappointed customer may seek a more reliable business provider.

Time should be allocated to tasks depending on:

- When the product or service is to be delivered;
- How long the preparation of the product or service is likely to take;
- The need to co-ordinate people working on the development of the product or service;
- How important the product or service and the customer are to the business as a whole.

The Sanitation Entrepreneur should note that good time management allows for events beyond your

control, such as bad weather.

Communication Skills

Good communication is important because clients need to understand precisely what you are trying to buy or sell. As a sanitation entrepreneur, you need to be careful, keen, polite and helpful. Sanitation Entrepreneurs should show interest in the customer and listen carefully to find out as much as possible to their needs. Listening is an important part of communication. The successful entrepreneur listens to what people in the community are saying. What do the people you know like? What do they want? What do they need? Could you satisfy any of these needs?

Also, as a Sanitation Entrepreneur, you need to inform clients and business partners about the products and/or services you are selling and how these can meet their needs. Being honest and frank about your product or service can help build clients' trust and confidence in you. This means that you should not give the client an incorrect impression of our product. Being frank in general may also help you to buy materials or services at a reasonable price from your business partners.

Business Ethics

Businesses need to function according to established law and rules set out by the community as well as the country. Many groups of businesses have established ethical standards for their businesses. These standards are core set of values that govern the relationships between businesses and customers.

These values help to provide levels of service that distinguish the best businesses and build confidence among clients. The same principle comes into play for Sanitation Entrepreneurs who should show a high level of integrity and citizenship in all business transactions. Sanitation Entrepreneurs should shy away from activities that promote dishonesty and unethical behaviour like bribery, corruption, discrimination and any act that is against the laws of Ghana. As many examples around the world and even in Ghana have shown, unethical behaviour goes a long way to destroy the reputation of businesses and that of the owners themselves.

	***Refer to Exercise 13 in Starting your Own Sanitation Business Work Book (Discussion & Role Play)***

APPENDIX

APPENDIX 1: REFERENCES

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