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[THE SOCIAL ENTERPRISE PROJECT: A BASELINE STUDY]

This study compares treatment and control groups in the areas of financial knowledge and observable characteristics. Additionally, information gathered here can serve as a needs assessment for potential beneficiaries and inform project design.

Executive Summary

Background

SEP is a Social Enterprise Project that builds on the successful micro-savings groups in Nnindye, Uganda. This project serves as an essential building block by providing Nnindye’s entrepreneurs technical assistance and access to capital. This partnership will enable an entrepreneurial ecosystem, which has greater potential to impact economic development. In the future, additional support and a different model will be needed as businesses grow from small- to medium- sized enterprises. This latter shift has the potential, if successful, to have a transformative effect for the community.

The study which follows provides baseline information about financial knowledge of members of the SILC¹ groups in Nnindye prior to project implementation. Information is presented as mean values within balance tests between an intervention group (those who will potentially benefit from the project) and a comparison group (members of SILC groups in neighboring parishes who are not eligible to participate in the project). An end-line study which follows up with the same two groups could demonstrate if the SILC members who participated in the Social Enterprise Project using a difference-in-difference methodology for analysis.

Findings

The vast majority of respondents report that they can identify a business opportunity but cannot take advantage of it. Of those respondents, almost all cite lack of capital as the reason that they cannot realize the opportunity.

Only one quarter of respondents report keeping records of business transactions. Of the respondents who answered this question positively, almost half of them keep records of cash inflow. A similar proportion of respondents keep track of capital investments and/ or stock purchases. Very few keep records of cash outflow, debtors and creditors.

Only half of the respondents reported that their spending decisions are based on the budget they developed. Few SILC members know their rights as a SILC member. Approximately half of the respondents understand their duties as a SILC member.

- 91% of respondents can identify a business opportunity but cannot take advantage of it
- Over 75% of respondents indicated a financial horizon of 6 months to 1 year
- 28% of respondents keep records of their business transactions
- Less than half of respondents understand their duties as a SILC member

Respondents were asked directly what trainings they require. A large proportion requested technical training on agriculture practices. Approximately a third of each group requested trainings on book-keeping. As mentioned above, only one quarter of respondents keep records of business transactions

¹ Savings and Internal Lending Cooperatives. SILC groups in Nnindye were originally administered by CRS but the groups continue with support from Uganda Martyrs University after the CRS project is complete.

now. Thus, respondents demonstrated a need for book-keeping skills based both on behavior and knowledge.

Recommendations

Training approaches: Given the low literacy levels of the SILC members studied with almost 50% with elementary education or below, and also that the project seeks to enhance the entrepreneurial abilities of members, it is recommended that more experimental approaches to learning be adopted.

Financial skills: There is need to help the SILC members understand the various sources of funding and how they function. Findings show that whereas most respondents perceive entrepreneurial opportunities in their environment, they are unable to take advantage of them because of lack of capital. Enhancing their financial skills is therefore likely to improve upon their access to financing sources.

Marketing skills: There is need to enhance the marketing skills of the respondents. Marketing skills are critical for entrepreneurial success. However the findings from the study indicate that almost 50% of the respondents don't have any marketing plan for the products. Marketing skills are essential in coming up with product development strategies. Entrepreneurs need to be innovative in developing new product and service ideas.

Strategic management skills: Being the owner of the firm, the entrepreneur must set the direction for the whole company. This category of competencies requires the entrepreneur to have a vision or a big picture in their mind for their business, to have clear goals to achieve, or to formulate and implement strategies to achieve these vision and goals.

Financial literacy skills: Financial literacy is the ability to understand how money works in the world: how someone manages to earn or make it, how that person manages it, how he/she invests it and how that person donates it to help others. There is need to enhance price risk management skills given that agricultural products are always prone to price fluctuations.

Agriculture skills: The findings also highlight the need to train SILC members in agriculture skills. Scholars in entrepreneurship have always highlighted technical and industrial skills as being critical in entrepreneurial success. Specific competencies consist of industry skills and technical skills, while general competency includes organization skills and opportunity recognition skills.

Business planning and development skills: The respondents need to be helped to develop business planning skills to help them bring their perceived opportunities to business realities. They also need helped to acquire business development and management skills to grow their businesses.

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Background

SEP is a Social Enterprise Project that builds on the successful micro-savings groups in Nnindye, Uganda.

It is funded by the Ford Family Program in Human Development Studies and Solidarity and the Gigot Center for Entrepreneurship at the Mendoza College of Business, both a part of the University of Notre Dame in the US. The project is implemented in partnership with Uganda Martyrs University located in Nkozi, Uganda under a partnership called University Partnership for Research and Development (UPFORD). In addition to providing financing, the project will also provide on-site skills training for participating Savings and Internal Lending Community (SILC) group members to increase the likelihood of business success, and monitoring to encourage timely repayment of loaned funds.

This project will provide training, mentorship and capital to qualified members of saving and Internal Lending Community (SILCs) in Nindye to establish or improve microenterprises. The program will fund entrepreneurs who have the passion and the potential, but may need support to identify the right business or model, and require training on effective business management.

This project serves as an essential building block by providing Nnindye's entrepreneurs technical assistance and access to capital. This partnership will enable an entrepreneurial ecosystem, which has greater potential to impact economic development. In the future, additional support and a different model will be needed as businesses grow from small- to medium- sized enterprises. This latter shift has the potential, if successful, to have a transformative effect for the community.

The project seeks to improve the likelihood of success by incorporating five critical elements:

- Building upon the successful SILC groups of Nnindye
- Limiting access to initial financing to successful business-owners with demonstrated support from well-run SILC groups
- Providing skills training prior to business funding to improve local entrepreneurial competence
- Seeding externally generated business ideas expected to be successful if necessary
- Providing targeted technical support as needed based on up-to-date monitoring of business performance.

Purpose of the baseline study

To effectively establish the level of entrepreneurship potential of SILC members in Nnindye in the areas of financial knowledge and skills, access to finance and marketing. The study was meant to understand the following:

- The entrepreneurship gaps SILC groups have that hinder their business growth.
- The business training needs that still exists that hinder their effectiveness.
- To identify the categories of businesses that are eligible for funding.

The results from the baseline study will allow project design and implementation to meet the targeted beneficiaries. The above information was also gathered in a control community—an area where SILC

members will not receive the intervention but are considered comparable to those of SILC members in Nnindye prior to data collection.

Methodology

Research Design

The baseline survey was conducted to examine the entrepreneurial skills of the members of SILC groups in Nnindye. The information generated will be necessary in determining the training needs of these people and in assessing the impact of the training of the development of entrepreneurial skills. As such the research took a quantitative design. There was need for descriptive statistics to gather in-depth information that would clearly demonstrate the abilities of these people to manage their businesses effectively. Bukunge and Ggolo Parishes were selected to serve as the comparison groups and are neighboring parishes to Nindye in Nkozi Sub-County. Based on implementers' knowledge of the local context, it was theorized that SILC members in Bukunge and Ggolo would be comparable to SILC members in Nnindye. See balance tests in the analysis section for the validity of this theory. Respondents from the comparison groups were surveyed pre/post to control for typical changes in SILC group knowledge and assets over time. Because of this baseline data collection in two communities, mid- and end-line analysis can utilize a difference-in-difference model.

Population

Prior to data collection, it was determined that 200 members would be surveyed from both intervention and comparison areas, for a total sample size of N=400. The respondents would come from all the SILC groups in both intervention and comparison areas. SILC groups were considered clusters in this design. In this study the target respondents were SILC members in the parishes in Nkozi Sub County namely: Nindye, Ggolo and Bukunge. The distribution on the members in these parishes is presented in the table below.

TABLE 1: TOTAL POPULATION

Group	Parish Name		SILC groups	Members
Treatment	Nnindye	Total	36	698
		Sampled	24	200
Control	Bukunge	Total	17	253
		Sampled	9	80
	Ggolo	Total	22	579
		Sampled	14	120

The total population of the study was therefore 75 SILC groups, and 1530 members.

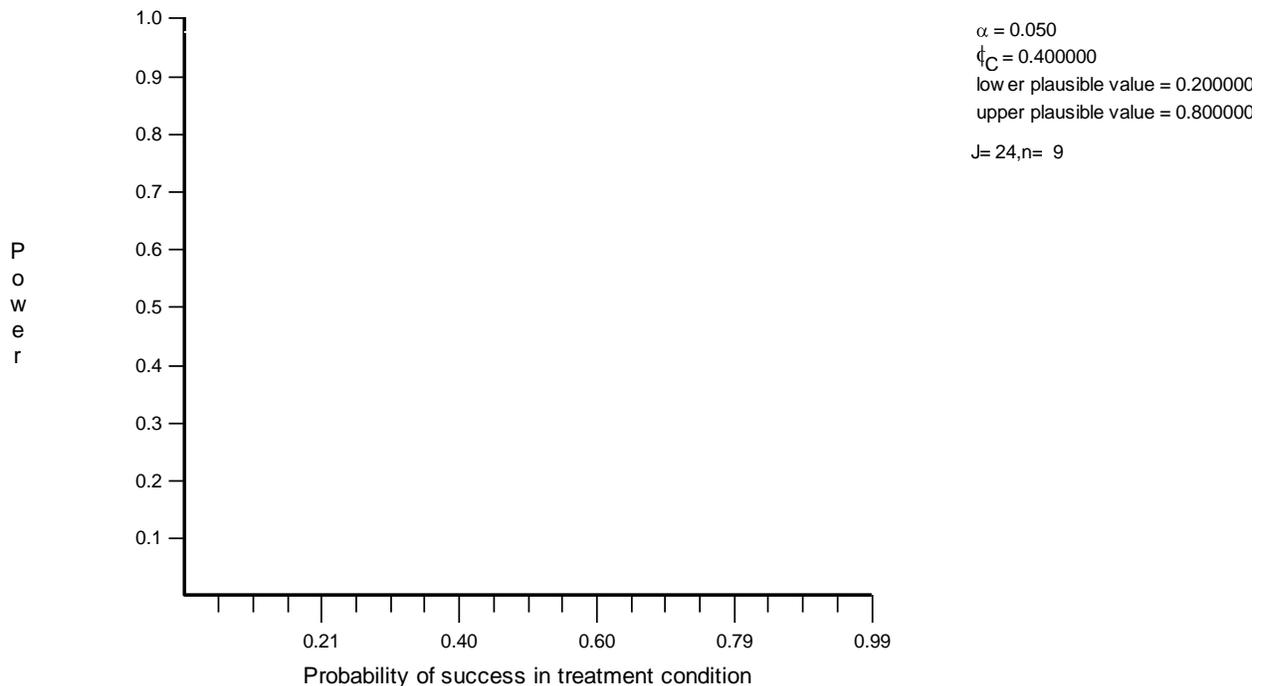
Sampling Design and Power Calculation

The simple random sampling technique was used in the study. To eliminate bias, all SILC members in the area studied had equal opportunity to be selected. For each group the names of members would be written on pieces of paper which would be folded and randomly selected to determine who to complete the questionnaire within a particular SILC group. An equal number of respondents were selected from each SILC group to answer the survey. On average, 9 respondents were selected from each SILC group.

The sample size was determined to be 400 people, due to logistical constraints. 200 respondents were selected from Nnindyé parish which will act as the treatment group in the forthcoming impact study and another 200 respondents were selected from Ggolo and Bukunge parishes who will make the control group. 24 SILC groups were sampled in Nnindyé and 23 in Bukunge and Ggolo.

With $j=24$ clusters, (24 SILC groups surveyed in treatment communities and 24 in comparison communities), and an average of $n=9$ respondents per cluster, the study has 80% power to detect a change of 29 percentage points or more. If the change observed from baseline to end-line is less than 29 percentage points, this study will be unable to detect the change. These calculations assume a standard significance level of .05 and probability of success of .4. This effect size is approximately .5, and is considered a large effect size. Thus, the study is under power and is not likely to have the ability to detect results that the intervention would likely cause.

TABLE 2: POWER CALCULATIONS



Data Collection Methods and Instruments

Data in this study was collected using a closed ended questionnaire, administered individually by enumerators with respondents. This instrument was considered appropriate to generate descriptive statistics which would illustrate the scores in entrepreneurial skills among the SILC members. This information is required in determining the entrepreneurial skills gap among the members and the required training. It will also be used in assessing the impact of the training by analyzing the variance in the scores of skills of members before and after the training.

Quality Control

To manage the quality of the study, the data collection instrument was first piloted. The instrument was pretested and adjustments were made to correct the weaknesses identified.

To avoid the chances of bias, a separate data clerk and analyst were brought on board. Project managers and service providers made formal introductions with community leaders to secure the confidence of the respondents not to answer with any suspicion.

Background Information

Most respondents reported farming as their occupation. However, significantly more members of the control communities reported fishing as an occupation. This is logical considering the location of the control communities is closer to the coast. Most households use a covered pit latrine and have iron sheeting for a roof. Household size is similar and roughly half of the female respondents completed elementary education or less.

Because the control group contains a large proportion of members with a different occupation, caution should be exercised in comparing the control group to the treatment. Changes in outcomes such as revenue, profits, and savings will be impacted by agricultural conditions in farming communities, such as weather and harvest rates. Meanwhile, in areas where fishing is prevalent, changes in these same indicators in communities will be subject to conditions relevant to fishing. However, the treatment and control groups are still relatively comparable in the areas of business skills and knowledge—although occasionally the two groups may differ in these areas as well. For example, farmers may need more trainings in long-term budgeting than fishers, because of the harvest cycle. The different business needs of fishers and farmers should be researched and taken into consideration when calculating changes between treatment and control at mid-line or end-line.

TABLE 3: OCCUPATION

	Treatment	Control	Difference
Farming (%)	67.01	69.50	-2.49
Fishing (%)	1.52	23.00	-21.48***
Retail (%)	6.09	15.50	-9.41**
Tailoring (%)	1.52	0.50	1.02
Bar/Restaurant (%)	2.03	2.50	-0.47
Transport (%)	1.02	0.50	0.52

Manual Labor (%)	1.02	2.50	-1.48
Other (%)	14.72	19.00	-4.28

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

TABLE 4: HOUSING STATISTICS

	Treatment	Control	Difference
<u>Latrine</u>			
Covered pit latrine (%)	94.39	89.50	4.89**
Uncovered pit latrine (%)	4.59	7.00	-2.41
VIP latrine (%)	1.02	3.50	-2.48
<u>Roof Material</u>			
Thatch, straw or other (%)	11.68	14.00	-2.32
Iron sheets (%)	85.28	81.00	4.28
Tiles (%)	1.52	3.00	-1.48

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

TABLE 5: EDUCATION AND HOUSEHOLD SIZE

	Treatment	Control	Difference
Household Size (mean)	6.11	6.09	0.02
<i>Education of Female Head of Household</i>			
Elementary or less (%)	49.44	51.85	-2.41
Middle or Secondary (%)	31.46	33.86	-2.40
Higher than Secondary (%)	19.10	14.29	4.82

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Analysis

All analysis was performed in STATA. Standard errors were clustered by SILC group. Treatment group is defined as respondents from Nnindye Parish, and Control group is composed of respondents from Bukunge and Golo Parishes.

Business Skills at Baseline

The vast majority of respondents report that they can identify a business opportunity but cannot take advantage of it. Of those respondents, almost all cite lack of capital as the reason that they cannot realize the opportunity. Significantly more respondents in the control group indicated that they know a business opportunity but cannot take advantage of it; however this difference is only significant at the 10% level and the magnitude of the difference is negligible.

Surprisingly, roughly half of the respondents noted that their business grew last year. All respondents were asked how they would know if their business was growing (those who experienced growth and

those who did not), and respondents indicated that they could recognize growth through more revenue or purchase of capital or stock. See the below table.

TABLE 6: ABILITY TO IDENTIFY OPPORTUNITIES

	Treatment	Control	Difference
Can identify a business opportunity but cannot take advantage of it (%)	91.61	96.83	-5.22*
Cites lack of capital as reason (%)	96.90	96.17	0.72
Business grew last year (%)	53.18	58.15	-4.97
<i>Evidence of Growth</i>			
Purchase of machines, equipment or other stock for sale (%)	27.66	26.73	0.93
Increase in money coming into the business (%)	48.94	55.45	-6.51
Hired more people (%)	3.19	2.97	0.22
Increase in profit (%)	20.21	14.85	5.36

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Most respondents indicated that they had a long term plan for their business. Of the respondents who responded positively to this question, most indicated that these plans are a shared vision with stakeholders such as business partners, employees and family members. All respondents were asked if they had a plan for marketing, and if they had a plan to increase productivity. Only approximately 50% of respondents in the treatment areas have a marketing plan, but roughly 80% have a plan to increase productivity.

TABLE 7: STRATEGIC PLANNING

	Treatment	Control	Difference
Have a long term plan for business (%)	82.11	78.65	3.46
Plans are a shared vision with stakeholders (%)	88.83	87.00	1.83
Has a marketing plan (%)	48.91	39.79	9.12
Has a plan to increase productivity (%)	79.03	62.77	16.27*

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

All respondents were asked to define their planning horizon, and over 75% of the respondents defined their horizon to be 6 months to 1 year. See Table 8 for details.

TABLE 8: PLANNING HORIZON

	Treatment	Control	Difference
6 months (%)	56.99	57.61	-0.62
1 year (%)	20.97	23.37	-2.40
2 years (%)	6.45	3.26	3.19
3 years (%)	1.08	3.26	-2.19
5 years (%)	1.08	0.00	1.08
10 years (%)	0.54	0.54	-0.01

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Respondents were also asked what amount of investment was needed to reach the next level of their business. Average values are reported in the below table. Caution should be used in interpreting these numbers, as there was a wide range of responses. Because capital needed may differ by industry, responses have been categorized and listed by occupation in the below table.

TABLE 9: INVESTMENT NEEDED

	Treatment	Control	Difference
Capital Needed to Progress to Next Level (UGX)	1,749,603.17	2,381,755.73	-632,152.55

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

TABLE 10: INVESTMENT NEEDED, BY INDUSTRY

	Investment Needed (UGX)	Response Rate (N)
Farming	2,181,774.19	186
Fishing	3,159,687.50	32
Retail	3,592,857.14	28
Tailoring	1,500,000.00	2
Bar/Restaurant	2,125,000.00	4
Transport	1,250,000.00	2
Manual Labor	720,000.00	5
Other	1,550,000.00	47

Some respondents listed the activity they planned for their business improvement instead of the amount needed. These responses were categorized and listed in the below table. Other responses are listed below.

TABLE 11: EXPANSION PLANS

	Treatment	Control	Difference
Agriculture (%)	14.29	28.00	-13.71
Fish (%)	4.76	24.00	-19.24
Livestock (%)	33.33	12.00	21.33
Pigs (%)	4.76	4.00	0.76
Poultry (%)	4.76	4.00	0.76
Retail (%)	33.33	24.00	9.33
Transport (%)	4.76	4.00	0.76

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Other Expansion Plans:	
BAR BUSINESS	BRING SOME PRODUCTS FOR SALE
VETERINARY FEEDS	INCREASE STOCK
IMPROVE SALOON TO A TRAINING CENTRE	WANT TO RELOCATE TO A BIGGER PLACE
FRIDGE TO COOL CUSTOMER'S SNACKS	SALOON
BORROW AND INCREASE STOCK	INVEST IN FOOD ITEMS
BUILD MORE RENTALS	IMPROVE HOUSEHOLD INCOME AND CAPIT
BUILD MORE RENTALS	CHARCOAL VENDING
BUY MORE STOCK	BUILD A COMMERCIAL FACILITY
HIRING BUSINESS	HOUSEHOLD ITEMS
MORE SPACE	

Only one quarter of respondents said that they keep records of business transactions. Of the respondents who answered this question positively, almost half of them keep records of cash inflow. A similar proportion of respondents keep track of capital investments and/ or stock purchases. Very few keep records of cash outflow, debtors and creditors. Most use the records to determine whether or not their business is making a profit.

TABLE 12: BOOK KEEPING

	Treatment	Control	Difference
Keeps records of business transactions (%)	28.19	29.69	-1.50

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

TABLE 13: TYPE OF RECORDS KEPT

	Treatment	Control	Difference
Purchases of machines, equipment, other stock (%)	10.66	6.50	4.16
Cash inflow (%)	11.68	16.50	-4.82
Outflows (%)	2.54	2.00	0.54
Debtors (%)	0.00	2.00	-2.00*
Creditors (%)	3.05	1.00	2.05

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$ **TABLE 14: RECORDS USED TO:**

	Treatment	Control	Difference
Determine the profitability of the business (%)	12.69	15.00	-2.31
Decide to continue the business or not (%)	4.06	3.00	1.06
To pay my debts in time (%)	3.05	2.50	0.55
To follow up on creditors (%)	1.52	2.00	-0.48
To plan for cash in such a way that I don't get liquidity problems (%)	1.02	2.00	-0.98
To know when and how much to stock (%)	1.52	1.50	0.02
To plan for the future of running my business (%)	1.02	1.50	-0.48
Other (%)	0.51	0.00	0.51

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Almost all respondents reported having saved something from their business profits in the last 2 years. This is consistent with the respondent population—it is expected that all SILC members would have saved something. Approximately one quarter of respondents report saving to reinvest in the business.

TABLE 15: SAVING

	Treatment	Control	Difference
Has savings from business profits (%)	98.97	95.83	3.14*
<i>Purpose of Saving:</i>			
To reinvest in the business (%)	23.86	21.00	2.86
To buy farm inputs (%)	12.18	5.00	7.18**
To purchase stock (%)	5.58	3.00	2.58
To buy household assets (%)	17.26	24.50	-7.24
To purchase business assets (%)	4.06	6.00	-1.94
Education for your children (%)	10.66	12.50	-1.84
Health services (%)	3.05	2.50	0.55
Cultural/religious functions (%)	0.51	0.50	0.01

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

SILC members were asked about actions they take to mitigate the following risks: commercial, price, health, and theft. Commercial risk was defined as “the event that the products you have produced have

no buyer” and price risk was defined as “the event that projected price for your product cannot be realized.” Response rates are reported here. Most respondents could say what actions they took to mitigate commercial risk, but few knew what to do to address the other types of risk. It should be noted that respondents did not report whether they succeeded in mitigating the risk through the actions they reported. For example, many reported that they sell their products at a loss, or wait for customers. Without more context, it cannot be known if these actions were beneficial to the business owner. However, we can infer from the response rate that a higher proportion of SILC members have at least considered what steps are necessary to mitigate commercial risk as opposed to other types of risk.

TABLE 16: RESPONSE RATE: MITIGATING RISK

	Treatment	Control	Difference
Commercial Risk (%)	45.69	31.50	14.19**
Price Risk (%)	14.21	4.00	10.21***
Health Risk (%)	4.06	2.00	2.06
Theft Risk (%)	0.51	0.00	0.51

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

SILC members were asked if, in the process of planning, they were able to project their revenue. Approximately three quarters of the respondents answered this question positively. A similar proportion of respondents keep a written budget—more in the treatment group, but this difference is only significant to the 10% level. However, only about half of the respondents reported that their spending decisions are based on the budget they developed.

TABLE 17: FINANCIAL PLANNING

	Treatment	Control	Difference
Can project revenue (%)	76.92	84.75	-7.82
Keeps a written budget (%)	82.46	73.45	9.01*
Spending decisions are based on budget (%)	55.33	63.00	-7.67

$p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Respondents were also asked to report expected values of revenue, expenses and profits. Mean values of these responses are reported here, but caution should be exercised in interpreting these values, as the standard errors on these values are quite large (not reported). Response rates are reported as well. Approximately half of the SILC members surveyed were able to quantify expected revenue, expenses and profits.

TABLE 18: PROJECTED FINANCES

	Treatment	Control	Difference
Projected revenue (UGX)	476,681.03	500,950.41	-24,269.38
Response Rate (%)	58.88	60.50	-1.62
Projected expenses (UGX)	129,711.54	182,094.02	-52,382.48
Response Rate (%)	52.79	58.50	-5.71
Projected profits (UGX)	264,009.09	397,606.84	-133,597.75
Response Rate (%)	55.84	58.50	-2.66

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Training Needs

Few SILC members know their rights as a SILC member. Significantly less members of the control group report knowledge of their rights. This difference would cause concern in the underlying differences between the treatment and control group. Perhaps members of the control communities are less active in the SILC groups, or the control SILC group leadership provided less information to the members. However, on all other indicators about SILC groups, there is no statistically distinguishable difference between treatment and control groups. Approximately half of each group understands their duties as a SILC member, but as the questions refer to higher levels of leadership, fewer members understand the roles and responsibilities. Approximately 10% of the respondents in each group reported that they do not understand the roles and responsibilities of anyone in the SILC groups—neither themselves nor their leaders.

Respondents were asked directly what trainings they require. As is expected, members of the treatment group reported significantly more demand for farming skills. Given the higher proportion of farmers in the treatment group, these results are not surprising. However, more members of the control group requested trainings on marketing. Approximately a third of each group requested trainings on book-keeping. As mentioned above, only one quarter of respondents keep records of business transactions now. Thus, respondents demonstrated a need for book-keeping skills based both on behavior and knowledge.

TABLE 19: KNOWLEDGE OF SILC ROLES AND RESPONSIBILITIES

	Treatment	Control	Difference
Rights as a SILC member (%)	27.08	13.50	13.58**
Duties as a SILC member (%)	44.79	53.00	-8.21
Duties of SILC managers (%)	17.71	21.00	-3.29
Duties of SILC directors (%)	0.52	1.00	-0.48
None of the above (%)	9.90	11.50	-1.60

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

TABLE 20: TRAININGS NEEDED

	Treatment	Control	Difference
Farming skills (%)	62.94	42.00	20.94***
Marketing skills (%)	5.08	12.50	-7.42*
IT skills (%)	0.51	0.00	0.51
Bookkeeping skills (%)	23.35	28.50	-5.15
Managing people (%)	2.54	7.00	-4.46*

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Recommendations

Training approaches

Given the low literacy levels of the SILC members studied with almost 50% with elementary education or below, and also that the project seeks to enhance the entrepreneurial abilities of members, it is recommended that more experimental approaches to learning be adopted. Gibb and Cotton (1998) argue that in training people for entrepreneurship the emphasis should be on pedagogies that encourage learning: by doing, by experience, by experiment, by risk taking and making mistakes, by creative problem solving, by feedback through social interaction; by role playing, by exploring role models; and by interaction with the adult world. According to Jones and English (2004) a learning environment is required to support the study of entrepreneurship - a teaching style that is action-oriented, encourages experiential learning, problem solving, project-based learning, creativity, and is supportive of peer evaluation. It is thought that such a process best provides the mix of enterprising skills and behaviors akin to those required to create and manage a small business.

Training in financial skills

There is need to enhance the financial skills of the entrepreneurs in Nnindy. There is need to help them understand the various sources of funding and how they function. Findings show that whereas most respondents perceive entrepreneurial opportunities in their environment, they are unable to take advantage of them because of lack of capital. Enhancing their financial skills is therefore likely to improve upon their access to financing sources. Mbat (2001) maintains that an entrepreneur needs to acquire knowledge on financial management issues like anticipation of financial needs for the enterprise, acquisition of funds and allocation of funds in order to yield optimum result. Most entrepreneurial failures are due to the inability of the entrepreneurs to effectively manage funds which they source for their ventures. The acquisition of financial management knowledge is therefore a necessary factor in entrepreneurial success (Nwachukwu, 2005).

Training in marketing skills

There is need to enhance the marketing skills of the respondents. Marketing skills are critical for entrepreneurial success. However the findings from the study indicate that almost 50% of the respondents don't have any marketing plan for the products. The marketing function is central and strategic to a firm's success (Ebitu, 2005). Hisrich and Peters (2002) maintain that marketing skills in the

growth stage of a new venture are critical to a venture's continued success. As the company grows, it will need to develop new products and services to maintain its distinctiveness in a competitive market. Marketing skills are essential in coming up with product development strategies. Entrepreneurs need to be innovative in developing new product and service ideas.

Strategic management skills

Whereas almost all respondents indicated that they had long term plans for their businesses, their planning horizons are too short. Over 75% of the respondents defined their planning horizons to 6 months to one year. Being the owner of the firm, the entrepreneur must set the direction for the whole company. This category of competencies requires the entrepreneur to have a vision or a big picture in their mind for their business, to have clear goals to achieve, or to formulate and implement strategies to achieve these vision and goals, for or example, McClelland's (1987) systematic planning, and Lau et al.'s (2000) strategic planning competencies. In essence, these competencies are related to setting, evaluating and implementing the strategies of the firm, while calling for abilities and skills from a broader and long-term perspective.

Financial literacy skills

There is evidence from the finding to suggest that there is need to train members in financial literacy. Financial literacy is the ability to understand how money works in the world: how someone manages to earn or make it, how that person manages it, how he/she invests it and how that person donates it to help others. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources (Wikipedia 2013). Gaps in the financial literacy of the members are demonstrated for example by the fact that only slightly more than a quarter of the respondents (28.2%) keep business records and a very small fraction of them record cash outflows. This reflects poor budget management skills. Good financial practice would involve recording both inflows and outflows. The historical data collected is important in future financial planning.

In addition to that, whereas almost half of the respondents could take some actions in the wake of commercial risk, very little is done on price risks, health risks and risks of theft. There is need to enhance price risk management skills given that the majority of the respondents are farmers (67%) and agricultural products are always prone to price fluctuations. Awareness also needs to be created with regard to other forms of risk and how to manage them including health risks. Health has a strong bearing on productivity.

Training in agriculture skills

The findings also highlight the need to train SILC members in agriculture skills. The majority of the respondents are farmers (67%) and with regard to the training needs identified, members of the treatment group reported significantly more demand for farming skills. Scholars in entrepreneurship have always highlighted technical and industrial skills as being critical in entrepreneurial success. Baum et al. (2001) distinguish between specific competencies and general competencies. Specific competencies consist of industry skills and technical skills, while general competency includes

organization skills and opportunity recognition skills. Sony and Iman (2005) maintain that industry and technical skills may be cultivated through vocational training.

Business planning and development skills

The vast majority of the respondents report that they can identify a business opportunity (92%) but cannot take advantage of the opportunity. The respondents need to be helped to develop business planning skills to help them bring their perceived opportunities to business realities. They also need help to acquire business development and management skills to grow their businesses.