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# MANAGING FOR A CHANGE

MANAGEMENT OF DEVELOPMENT PROJECTS  
A GUIDE FOR COMMUNITY GROUPS

ANTHONY DAVIES

WORKBOOK



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## MANAGEMENT OF DEVELOPMENT PROJECTS A GUIDE FOR COMMUNITY GROUPS

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**WORKBOOK**



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This book is dedicated to all those members of community development groups who, despite receiving little thanks or acknowledgment, dedicate their time and efforts to undertaking community development projects. Theirs is the true achievement.

Ma, diolch am pob peth.

*A many storied tower is built by placing one brick upon another.*

*TAO TE CHING, by Lao Tzu.*



# **INTRODUCTION.**

Eight out of every ten development projects fail! Why? Is it so difficult to plan and manage a project successfully? Or, were the groups who undertook the projects ill prepared? The answer is partly both. Project management is a profession; like farming or food preparation, it is a skill we have learn. Too often, community groups rely only on good intentions and enthusiasm to guide them along the path of project planning and implementation.

It is not possible, in a book this size, to cover in great detail all the specialist skills and techniques required for project management. Indeed, the subjects covered in each chapter here deserve a book in their own right.

This **Workbook** and the accompanying **Handbook** will provide community groups with an insight into development project planning and management. They will also give step-by-step guidance through the stages from project identification to post-project activities.

To make it easier to use, this guide comes in two parts: a **Workbook** which you are now reading and a **Handbook**. **Both books should be used together**: the **Handbook** points the way along the path of project execution, while the **Workbook** will provide a means of checking that you are going in the right direction.

The **Workbook** and **Handbook** are both organized into nine chapters. They are set out in the same order as the stages required when managing a project:

## **Chapter 1      PROBLEM IDENTIFICATION**

Projects often fail because they attempt to solve the wrong problem. The first stage in any project is to identify the core problems and their causes. Not all the members of a community will be supportive of a project. It is important to identify those who will be interested in giving assistance and those who could obstruct the progress of the project.

## **Chapter 2      MOBILISING A GROUP**

The more people involved with a project the better the chance of it succeeding and obtaining assistance from external agencies. The group members will have to organize their activities. A committee will have to be elected and its members trained to perform their duties efficiently. Meetings will have to be held and decisions taken. All the group members will have to take an active part.

## **Chapter 3      SOLUTION IDENTIFICATION AND PLANNING**

Once the group has organized itself, the members should agree on the problem(s) to be solved. Thought should also be given to obtaining training for the members. The next stage is to set objectives for the project - what the group members hope to achieve. Consideration must be given to, "sustainability", the ability of the project to continue to provide a solution to the problem for as long as is required. The actions required to achieve the objectives must be identified and planned. Planning plays a key part in ensuring that the project is successfully managed.

## **Chapter 4      RESOURCE IDENTIFICATION AND COST ESTIMATING**

With activities agreed upon by the group members and a project plan prepared, the resources required must be identified. What skills do the group members have? How much will the project cost? When will the funds be required?

**Chapter 5 PROJECT FUNDING**

A decision will have to be made on how to finance the project. Has the group sufficient resources or will it have to seek assistance from external organizations? What type of funding will be sought, a loan or a grant? Who can provide loans and grants? How does a group apply for a loan or a grant? How can contact be made with funding agencies?

**Chapter 6 BASIC BOOKKEEPING AND KEEPING RECORDS**

Most projects will require the spending of money. It might be funds provided by the group members or from an external organization. Whatever the case, records will have to be kept of every transaction. This will require the keeping of accounts. Accounts by themselves are not sufficient; proof of expenditure must also be provided, with receipts, bills and other records kept. Things can go wrong if only the group's treasurer understands the accounts; all committee members should know and understand the procedures used. It is likely that the group will have to open a bank account. How is this done? What type of account should the group have?

**Chapter 7 PROJECT SUPERVISION**

During the project the group will have to use management skills. These will include using the project plan and budget to determine if the project is proceeding as desired. Good managers do not allow things just to happen, they look forward and predict what might happen. Then they control events to achieve the desired objectives. The success of the project will depend upon the group members cooperating and working together. Even in harmonious groups, misunderstandings can arise. Group leaders must be skilled in getting the members to work as a team, assisting and supporting one another. Decisions, and when necessary corrective actions, will have to be taken when things go wrong.

**Chapter 8 PROJECT EXECUTION**

With the group trained in the necessary management skills, and the resources available, the group can begin the project. Material and equipment might have to be purchased. Activities will have to be organized. Labour must be arranged. The progress of the project will have to be measured and events controlled. The group committee will have to provide reports to the members, and if external funding was obtained, to donor agencies, giving details of events and proof of all expenditure.

**Chapter 9 POST-PROJECT ACTIVITIES**

What happens when the group has achieved its planned project objectives? If it is successful the members can justifiably be proud of their efforts and congratulate each other. But first there are some administrative matters to deal with. The project "books" have to be "closed", that is, the final financial accounts have to be prepared and audited. This is necessary to check that all the money received by the group can be accounted for.

When can a project be considered to be finished? The answer is when its results cease to serve a useful purpose. The Egyptian pyramids were built in Africa thousands of years ago, as tombs for their Kings. Yet today they still serve a useful purpose as a tourist attraction and so have to be maintained and managed. So it is with most projects; they will only continue to serve the needs of the community if they are managed and looked after. Who will continue to manage the operation of the project? Will it be the same committee or should a new management committee be chosen? What are the

management skills that will be required? Will additional training be required? Will funds be required for the ongoing operation? Like the successful management of the project, the future success of the operation will depend upon good management, planning and budgeting.

## **THE HANDBOOK**

The **Handbook** describes in simple terms the stages and procedures that can be followed by a group to manage a community development project successfully. It is not a textbook, but a guide to assist a group to make its own decisions on managing its project.

The types of community projects are so varied that it is not possible to give examples to cover all eventualities. The examples in the **Handbook** are therefore used to illustrate general ideas.

The contents of the chapters in the **Handbook** are in the same order as those in the **Workbook**. So while an understanding of the general procedures can be obtained from the **Handbook**, they can immediately be applied to the group's project with the aid of the **Workbook**.

## **THE WORKBOOK**

The **Workbook** is not a step-by-step list of all the activities a group has to take in order to manage a community development project successfully. Projects are so varied that each one must be planned and managed to meet its individual requirements. While the **Handbook** describes in simple terms the general principles, the **Workbook** is designed to assist you to manage your own project. No answers are provided in the **Workbook**, only questions! However, the questions have been devised so that you ask and answer them at the appropriate time. The **Workbook** is not there to test or trap you; it is provided to assist you by suggesting questions that should be considered when a group manages a community development project.

# CHAPTER 1

## PROBLEM IDENTIFICATION

The questions and exercises in this chapter relate to the subjects covered in Chapter One of the Handbook. They have not been devised as a test of what you know. They are meant to encourage participants to understand and analyse the problem fully, before the group chooses a solution.

Please read Chapter One of the Handbook before attempting the following exercises and questions. If at any time you are unsure, consult the Handbook.

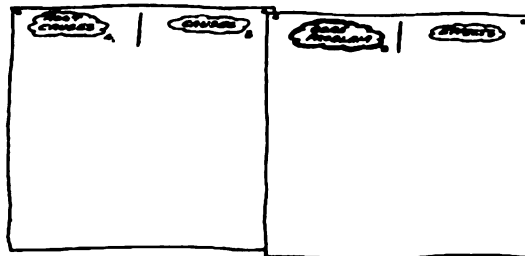
- \* Question: Why is there a risk of the project failing, if the solution is selected too soon?
- \* Question: What could happen if the problem is not correctly analysed?
- \* Exercise: *Make a list of people who can assist you in analysing the problem. Then seek their assistance.*

## PROBLEM ANALYSIS

Depending on the preferred method, refer to the next section "Problem Analysis Chart Method" or the subsequent section "Problem Tree Method"

### PROBLEM ANALYSIS CHART METHOD

- \* Exercise: *What is the main problem, that is, the "core problem", you have to solve?  
Prepare a Problem Analysis Chart and enter the answer in column 2.*



- \* Question: How can you identify the cause(s) of the "core problem"?
- \* Question: What are the questions that need to be asked when analysing the causes?
- \* Question: What are the cause(s) of the core problem?  
Are they the only ones?
- \* Exercise: *Enter the cause(s) in column 3a of the Problem Analysis Chart.*
- \* Question: What is meant by the term "root cause"?
- \* Exercise: *Analyze the causes listed in column 3a, and decide whether all are the "root causes" of the problem. If they are not, then they are in turn the effects of more important causes. Enter these newly identified causes in Column 3b.*

**SAMPLE PROBLEM ANALYSIS FORM**

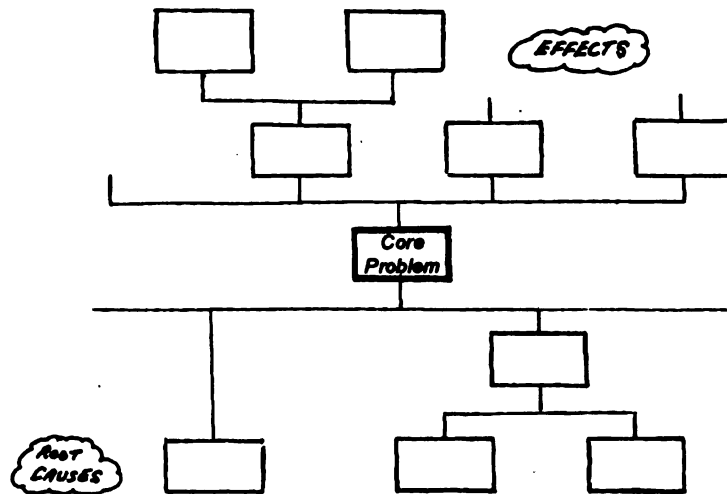
CAUSE(S) Column 3c	CAUSE(S) Column 3b	CAUSE(S) Column 3a	CORE PROBLEM Column 2	EFFECT(S) Primary Column 1a	EFFECT(S) Secondary Column 1b

- \* **Exercise:** Analyse the causes listed in column 3b, and decide whether these are the "root cause" of the problem. If they are not the "root cause", then they are in turn the effects of more important causes. Enter the newly identified causes in Column 3c. Repeat the analysis until the "Root Cause(s)" have been Identified.
- \* **Question:** How do you test whether the correct "core problem" has been correctly identified?
- \* **Exercise:** Examine the core problem listed in column 2, and decide what will be the effects of these problems. List the answers in columns 1a.
- \* **Exercise:** Examine the effects listed in column 1a, and decide whether they in turn will result in a problem. What would the effects of the new problem be? List the answers in column 1b.
- \* **Question:** Are the effects listed in columns 1a and 1b a bigger problem than those first identified as the "core problem" listed in column 2? If they are, what does that mean?
- \* **Question:** Do you need to identify a new "core problem"?
- \* **Question:** What are the "root cause(s)" of the problem?
- \* **Question:** If, in analysing of the problem, the number of columns in the Problem Analysis Form are not enough, what can be done?

When you are confident that the "core problem" and "root causes" have been identified proceed to the "Community Analysis" section.

### PROBLEM TREE METHOD

- \* **Exercise:** Make a list of what are considered to be the problems and their causes.
- \* **Question:** Have all the causes and effects been identified?
- \* **Question:** What are the most important problems?
- \* **Question:** What is the main problem that you have to solve? that is, the "core problem".



- \* **Exercise:** Write out separate cards or pieces of paper for each cause and each effect giving brief details.
- \* **Exercise:** Arrange the cards in the form of a Problem Tree with the causes at the lower level, and the effects placed above the "core problem".
- \* **Question:** Do the participants agree that the correct "core problem" has been identified?
- \* **Question:** Do you need to identify a new "core problem"?
- \* **Question:** Have all the causes been identified, and are they placed in the correct position on the problem tree?
- \* **Question:** Have all the effects been identified?
- \* **Question:** What are the "root causes" of the problem?

When you are confident that the "core problem" and "root causes" have been identified proceed to the "Community Analysis" section.

### COMMUNITY ANALYSIS

- \* **Question:** Do projects benefit all members of the community?
- \* **Question:** Why do some members of a community oppose a project that would benefit large numbers of the community?
- \* **Question:** Are there people in your community likely to object to a project being undertaken?
- \* **Exercise:** Prepare a Community Analysis Form and list all the groups active in the community.
- \* **Question:** Will the members of the groups be positively or negatively affected by the proposed project?
- \* **Exercise:** List on the form how they will be affected.
- \* **Question:** Who are the main families in the community?
- \* **Exercise:** List the names of the families on the form.
- \* **Question:** Will the members of these families be positively or negatively affected by the proposed project?

COMMUNITY MEMBERS AND GROUPS	HOW AFFECTED ?	
	Positive Effects	Negative Effects
COMMUNITY GROUPS: .....		
FAMILIES: .....		
INDIVIDUALS: .....		
ONGOING PROJECTS: .....		

**SAMPLE COMMUNITY ANALYSIS FORM.**

<b>COMMUNITY MEMBERS AND GROUPS</b>	<b>HOW AFFECTED ?</b>	
	<b>Positive Effects</b>	<b>Negative Effects</b>
<b>COMMUNITY GROUPS:</b> - - - - - -		
<b>FAMILIES:</b> - - - - - -		
<b>INDIVIDUALS:</b> - - - - - -		
<b>ONGOING PROJECTS</b> - - - - -		



- \* **Exercise:** *List on the form how they will be affected.*
- \* **Question:** Who are the people who have influence in the community?
- \* **Exercise:** *List their names on the form.*
- \* **Question:** Will these individuals be positively or negatively affected by the proposed project?
- \* **Exercise:** *List on the form how they will be affected.*
- \* **Question:** Are there any other projects being planned or undertaken in the community?
- \* **Exercise:** *List on the form, the project and the groups managing them.*
- \* **Question:** Will these projects be positively or negatively affected by the proposed project?
- \* **Exercise:** *List on the form how they will be affected.*
- \* **Exercise:** *Examine the form, and identify the main positive effects of the proposed project.*
- \* **Question:** Are there any groups or individuals who might object to the proposed project?
- \* **Question:** What will be their main objections?
- \* **Exercise:** *Prepare a list of points that can be used in discussions with groups and individuals who might object to the project. You want to persuade them that the project will be good for the community.*



- \* **Question:** Is it possible to get the support of all members of the community?
- \* **Question:** What can be done to gain the support of as many groups and individuals as possible?
- \* **Question:** Why is it important to get the support of as many groups and individuals as possible?
- \* **Question:** Did all the members of the group take part in the analysis to identify the "root problems" to be solved?
- \* **Question:** Why is it important to give all the members of the group the opportunity to participate in identifying the "root problems"?

**ENCOURAGE PEOPLE TO PARTICIPATE.**

## CHAPTER 2

### MOBILIZING A GROUP

The questions and exercises in this chapter relate to the subjects covered in Chapter Two of the Handbook. They have been designed to assist participants to organize themselves into a group.

You are advised to read Chapter Two of the Handbook before attempting the following exercises and questions. If at any time you are unsure, consult the Handbook.

#### THE FIRST STEP

- \* Question: What is the problem the group wants to solve?
- \* Question: How many residents of the community are affected?
- \* Question: Are some residents affected more than others?
- \* *Exercise: Make a list of all the people who will be interested in joining together to solve the problem.*
- \* Question: Who should you discuss the problem with first?
- \* Question: Who are the elders and leaders of the community?
- \* Question: How can you get their assistance?
- \* Question: Who are the people you respect who can give advice on how to organize a group?

SEEK SUPPORTERS

#### Calling a Community Meeting

- \* Question: What is the best day to hold a community meeting?
- \* Question: What is the best time to hold a community meeting?
- \* Question: Where is the best place to hold the meeting?
- \* Question: Who is responsible for the proposed meeting place?
- \* Question: Will permission be required to use it?
- \* Question: What is the best way of informing all the community about the meeting?

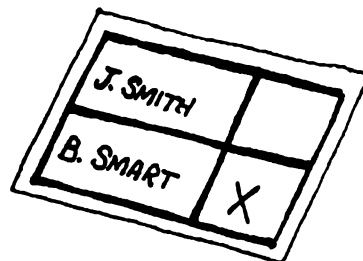
ENCOURAGE PEOPLE TO ATTEND THE MEETING.

- \* **Exercise:** *Design a poster to advertise the meeting. What details will have to be included?*
- \* **Question:** **Who is the best person to act as the chairperson for the meeting?**
- \* **Question:** **Does he or she have the respect of the people who are likely to attend the meeting?**
- \* **Question:** **Who should ask that person to act as the chairperson?**
- \* **Question:** **What do you hope to achieve by holding a meeting?**
- \* **Question:** **Should there be an agenda for the meeting?**
- \* **Question:** **What are the objectives of the meeting?**
- \* **Exercise:** *List the order in which items should be discussed at the meeting.*
- \* **Question:** **What is the best time and place for the next meeting?**

**THE FIRST OBJECTIVE IS TO FORM A GROUP.**

## **FORMATION OF A GROUP**

- \* **Question:** **Does the group require a committee?**
- \* **Question:** **How do you decide what is the correct number of members for a committee?**
- \* **Question:** **How many members should the committee have?**
- \* **Question:** **Should there be an Executive committee?**
- \* **Question:** **How many members should it have?**
- \* **Question:** **What will be their duties?**
- \* **Question:** **How should the committee be elected, at a group meeting or at specially arranged election?**
- \* **Question:** **How are the committee members to be elected, by secret ballot or by show of hands?**
- \* **Question:** **Who is going to run the elections, take the nominations and count the votes etc?**



## DUTIES OF THE EXECUTIVE AND COMMITTEE MEMBERS

\* **Exercise:** *Make a list of the most important qualities of a chairperson. Place them in order of importance.*

\* **Exercise:** *Make a list of individuals who would be a good chairperson.*

THE CHAIRPERSON MUST BE TRUSTWORTHY.

\* **Exercise:** *Write in the order of importance, the most important qualities of a secretary.*

\* **Exercise:** *Make a list of the persons who would make a good secretary.*

\* **Question:** What are the most important qualities of a treasurer?

\* **Exercise:** *Write a list of the persons who would make a good treasurer.*

\* **Exercise:** *Write a list in the order of importance, the most important qualities members of the committee will require.*

\* **Exercise:** *Make a list of the people who would make good committee members.*

THE GROUP IS ONLY AS GOOD AS ITS MEMBERS.

## GROUP MEETINGS

### Why have Group and Committee Meetings?

\* **Question:** What are the three most important reasons for having meetings?

\* **Exercise:** *You are the chairperson of a meeting. One person or a small group of persons are doing all the talking and trying to force their views onto the group. The other members present are not taking part. What can you do to encourage the other members to give their views?*

\* **Question:** When people are too nervous to speak in a big group, would it be a good idea to split the meeting up into small discussion groups?

\* **Question:** How can the meeting know what took place in each small group?

\* **Question:** What other ways can be used to get people to take part in a meeting?

HELP PEOPLE PARTICIPATE.

- \* Question: What are the three most important qualities of a good chairperson of a meeting?
- \* Question: Why have sub-committees?
- \* Question: Would it be useful for your group to have sub-committees?
- \* Question: Can only committee members be members of a sub-committee or can other people with special skills and experience be invited to join?

### Meeting Agenda and Minutes

- \* **Exercise:** *Write out an agenda for a general meeting of a group.*
- \* **Question:** At general meetings, should executive members be required to give a report on their activities?
- \* **Exercise:** *At a committee meeting the secretary reads out the minutes of the last meeting. His record is wrong and he has failed to record a number of important decisions taken. Should the minutes be corrected? How can this be done?*
- \* **Exercise:** *At a meeting the secretary reads out the minutes of the last meeting. One of the members who was not present at the meeting, disagrees with one of the decisions that had been taken. Some of the other members agree with her and she tries to get the minutes changed. If the majority of the committee agree, should the minutes be changed?*
- \* **Question:** Is it correct that minutes should always be an accurate record of a meeting? And should be corrected if they are wrong?
- \* **Question:** Is it correct to say that minutes should not be changed to give a false report of what happened at a meeting?
- \* **Question:** If someone disagrees with the decision taken at the previous meeting, can the subject be discussed again under "Matters Arising" and a new vote taken?
- \* **Question:** What is the minimum number of members required to request the calling of an emergency general meeting?
- \* **Question:** Is it essential that all the members of the group be notified when an emergency general meeting is called?
- \* **Question:** How long will it take to inform all the members of the group of the time and place where an emergency general meeting will be held?
- \* **Question:** Should there be a clause in the group's constitution to state the minimum number of members required to call an emergency general meeting, and the minimum notice given before it is held?

**EMERGENCY MEETINGS SHOULD NOT BE CALLED IRRESPONSIBLY**

- \* Question: What does the word "quorum" mean?
- \* Question: Should there be a minimum number of members be present before a committee meeting or general meeting can be held?
- \* Question: What should be the minimum number of committee members present before a committee meeting can be held, a quarter, one-third, a half or two-thirds of the committee?
- \* Question: What should the quorum be for a general meeting, more or less than a quarter of the total number of members?

### **QUALITIES OF A GOOD LEADER**

- \* **Exercise:** *List five main differences between the qualities required by a business manager and those of a group leader.*
- \* Question: Will someone who is a successful business man/woman always be a good leader of a group?
- \* Question: Why is it important to be "honest with yourself" ?
- \* **Exercise:** *Think of all the bosses you have had, and leaders you have known. Make a list of all their good and bad qualities.*
- \* Question: What are the five most important qualities of a good leader?
- \* Question: What qualities do bad leaders have?
- \* **Exercise:** *You are a leader of a group. You ask one of the members to do a simple job. When you check on the work you find that he has done it all wrong! What should you do?*
  - a) *Give him a telling off and tell him that he must go back and do the work again.*
  - b) *Correct the work yourself or get someone else to do it and make a note never to ask him to do any work again!*
  - c) *Talk nicely to him and point out that he did not do a very good job. Then explain to him how you want the job done, and that you are giving him another chance to do it.*
  - d) *Ask yourself whether when you gave him the instructions, did you explain clearly what was required, and did you check that he had understood them? If you are in the wrong, go and apologise to him for not giving him the correct instructions.*
  - e) *Ask yourself, if you had done something wrong, how you would want a good leader to treat you?*
- \* Question: What can you do to make people feel important?

## GROUP CONSTITUTION AND STANDING ORDERS

- \* Question: What is the main difference between the purpose of a group's constitution and its Standing Orders?
- \* Exercise: *Which of the following topics should be included in the group's constitution and which in the Standing Orders?*
  - a) *Rules governing the number of members on the committee and how long they should hold office.*
  - b) *Who can become a member of the group.*
  - c) *The amount of the group's membership fee.*
  - d) *How often group general meetings should be held.*
  - e) *How often the executive should meet.*
  - f) *That the group's funds, above a certain limit, should be held in the group's bank account.*
  - g) *The names of the persons who will administer the bank account.*
  - h) *Rules controlling the use of the group's equipment.*
- \* Question: Why should the constitution only be changed infrequently?
- \* Question: Should the committee be able to change the constitution, or should it only be done by a vote of the members of the group?
- \* Question: If the constitution can only be changed by a vote taken at a general meeting of the group, can it be done by a simple majority or should it require a higher number of votes? Should two-thirds or three-quarters of the members present vote for the change?

PROTECT THE CONSTITUTION.

## BUSINESS LETTER WRITING

- \* Question: What is the postal address of the group?
- \* Question: Who should write and sign group letters, the chairperson, the secretary or either person?
- \* Question: If you know the person you are writing to, do you start the letter, Dear Sir or Dear { Name of the person you are writing to}?
- \* Question: What closing courtesy should be used when writing to someone you do not know?
- \* Question: Why should you print your name and title under your signature?

- \* **Exercise:** *Write a letter to the headteacher asking permission to use the school to hold a general meeting of the group, next Friday at 6.00 p.m.*

**A LETTER PRESENTS AN IMAGE OF THE GROUP**



## CHAPTER 3

### SOLUTION IDENTIFICATION AND PLANNING

The questions and exercises in this chapter relate to the subjects covered in Chapter Three of the Handbook. They have been formulated in order to assist participants to set project objectives, identify solutions and then plan project activities.

It is suggested that you read Chapters One and Three of the Handbook before attempting the following exercises and questions. If at any time you are unsure, consult the Handbook.

#### TRAINING

- \* Question: What skills will the group require to plan and manage a project?
- \* Question: Do the group members have those skills?
- \* Question: Are there members in the community with those skills, who can train the group members?

- \* Exercise: *Make a list of all the people who will be prepared to help train the group members, and the subjects they can provide training in.*

NAME	SUBJECTS
- ANN SMITH	- BOOK-KEEPING & ACCOUNTANCY.
- EDWARD CHAMBERLAIN	- TRACTOR DRIVER & POWER SAW OPERATOR
- TONY GIBBONS	- WAS CHAIRMAN OF SCHOOL BUILDING PROJECT GROUP

- \* Question: Will the group require the assistance of outside organizations to help run training programmes?
- \* Exercise: *Make a list of all the subjects in which the group will require training.*
- \* Question: How many of the committee and group members would be prepared to attend training workshops?
- \* Question: What is the best day in the week to hold workshops?
- \* Question: What is the best time during the day to hold workshops?
- \* Question: Where can the workshops be held?
- \* Question: Will the meeting place be available at the required time?
- \* Question: Whose permission will be required to use the meeting place, to hold the workshop?


ENCOURAGE MEMBERS TO PARTICIPATE.

## SETTING OBJECTIVES

- \* Question: Why is it important that all the group members are given the opportunity to review, and then agree on the problem they are going to solve?
- \* Question: How can the group reach agreement on the problem to be solved?
- \* Question: What is the problem the group wants to solve?
- \* *Exercise: Make a list of all the problems. Place them in order of importance.*
- \* Question: What should come first, looking for the answer (solution) for each problem or deciding what the objectives are for each problem?
- \* Question: What are the disadvantages of trying to identify the solution to the problem too quickly?
- \* Question: What is the advantage of identifying the objectives before rushing to select a solution?
- \* *Exercise: Examine the group's list of problems, and for each problem decide upon an objective.*
- \* Question: What is the project's "core objective"?

**BE SURE THAT THE CORRECT OBJECTIVES HAVE BEEN IDENTIFIED.**

## IDENTIFYING SOLUTIONS

- \* Question: What is meant by "Brain Storming"?
  - \* Question: When first writing out the list of solutions, why should the participants try to avoid discussing or passing comments?
  - \* Question: How can members be encouraged to be as imaginative as possible when thinking up solutions?
- 
- "Let's give a prize to the person who thinks of the best solution"*
- \* Question: Are there some other methods the group can use to think of solutions?
  - \* *Exercise: Examine the list of objectives, and for each one make out a list of all the solutions the group can think of.*
  - \* Question: What is meant by "sustainability"?
  - \* *Exercise: Make a list of all the factors that should be considered when examining whether the group's project solutions are sustainable.*

- \* **Exercise:** *Examine the list of all the solutions and decide which would give a sustainable solution to the problem.*
- \* **Exercise:** *Examine the list of sustainable solutions, and decide which are "practical" solutions.*
- \* **Exercise:** *Examine the list of practical solutions and decide whether the group members would support and actually use the solution.*
- \* **Exercise:** *Examine the list and decide, for each solution, whether it could cause bigger problems in the community, than the initial problem it is meant to solve.*
- \* **Exercise:** *Finally, decide which solutions will really make things better.*

## IDENTIFYING PROJECT ACTIONS

- \* **Question:** After examining all the solutions, how many suitable solutions remain on your list?
- \* **Exercise:** *For each of the remaining solutions make out a list of all the activities that must be undertaken in order to put the solution in place.*

## PROJECT PLANNING

- \* **Question:** Why prepare a Project Plan?
- \* **Question:** Is a Project Plan used only during the planning stage of a project?
- \* **Exercise:** *Examine the list of activities for the remaining solutions and put them into the order they should occur. Estimate how long each activity should take. Can some activities take place at the same time?*
- \* **Question:** What is a "Bar Chart" and how can it be used to help to plan a project?
- \* **Exercise:** *Prepare a bar chart for each of the remaining solutions.*

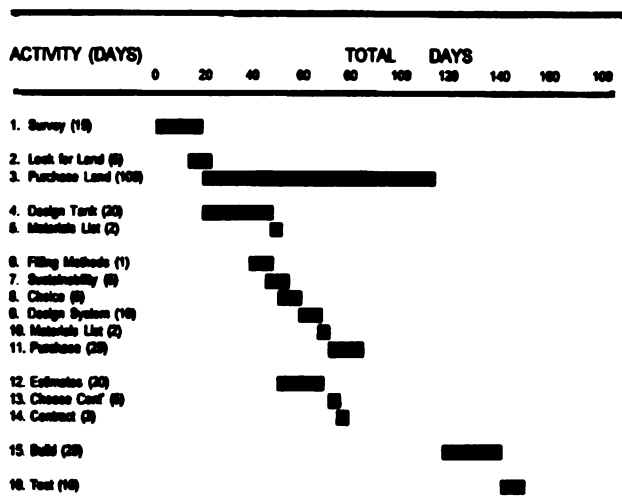
### Hint:

*Write the list of activities down the left hand side of the page.*

*Choose the scale to be used to represent the time for each activity, that is, the length of each bar on the bar chart.*

*For example:*

*If the scale of 1 inch represents a month of activity, then an activity lasting 2 months would be represented by a bar 2 inches long. An activity which would last one week would be represented by a bar 1/4" long.*



**Decide which activities can be performed at the same time and which ones have to wait for another activity to be completed before they can start.**

- \* **Exercise:** *Examine the bar chart and decide which are the key activities that, will determine how long the project will take.*

## **PLANNING FOR CHANGE**

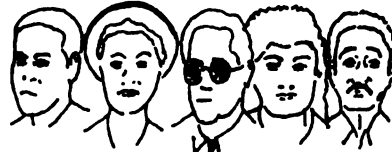
- \* **Question:** Why is it important to plan for change?
- \* **Questions:** Are projects bound to give good results?
- \* **Question:** If the majority of the community will benefit and only a small minority will suffer as a result of a project, should the well-being of the minority be ignored for the sake of the majority?
- \* **Question:** Will the solution the group has chosen result in disruption in the community?
- \* **Question:** What can be done to prevent a project having a bad effect on the community?

## **GROUP COMMERCIAL PROJECTS**

- \* **Question:** What should be achieved by a commercial project?
- \* **Question:** Should a commercial project always make a profit?
- \* **Question:** Does the group propose to manage a commercial project?
- \* **Questions:** What skills will a group require to plan and manage a commercial project?
- \* **Question:** Do the group members have those skills?
- \* **Question:** Are there members in the community with those skills, who can train the group members?
- \* **Exercise:** *Make a list of all the people who will be prepared to help train the group members, and the subjects they can provide training in.*
- \* **Question:** Will the group require the assistance of outside organizations to run training programmes?
- \* **Question:** What is a business plan?
- \* **Question:** How can a business plan be used when making decisions during the design of a project?
- \* **Question:** Is a business plan only used during the design stage of a project?
- \* **Question:** How can a business plan be used to see if a commercial project is meeting its objectives?
- \* **Question:** What is a Sales Plan?



- \* Question: What product(s) will the group be selling?
- \* Question: How much of each product will be sold every month?
- \* Question: What price will be charged for each product?
- \* Question: What will be the total Sales each month?
- \* Question: What will be the Total Sales for the period?
- \* Question: What is an Expenditure Plan?
- \* Question: Will the project (business) be employing staff?
- \* Question: What materials need to be purchased for the business each month?
- \* Question: Will the business have to pay rent for the use of land or buildings?
- \* Question: Will the group have to transport its products to market?
- \* *Exercise: Make a list of the items of expenditure required for the running of the group's business project.*
- \* Question: What will be the total cost of running the business every month?
- \* Question: What period is covered by the plan, that is, how many months?
- \* Question: What is the total cost of running the business for the period?
- \* Question: Will the business project make a profit for the period?
- \* Question: What is "positive cash flow"?
- \* Question: What is "negative cash flow"?
- \* Question: During the period will there be any months with negative cash flows?
- \* Question: What is the total amounts of funds the business will require to pay running costs during the months with negative cash flow?



**SEEK TRAINING IN BUSINESS MANAGEMENT.**

# CHAPTER 4

## RESOURCE IDENTIFICATION AND COST ESTIMATING

The questions and exercises in this chapter relate to the subjects covered in Chapter Four of the Handbook. They have been designed to assist participants to identify the human, material and equipment resources required to execute a project and to prepare estimates of the cost of a project.

It is suggested that you read Chapters Three and Four of the Handbook before attempting the following exercises and questions. If at any time you are unsure, consult the Handbook.

### RESOURCE IDENTIFICATION

- \* Question: Has a project plan been prepared?
- \* Question: Have all the activities necessary for achieving the project objectives been identified?
- \* Question: Which of the group members can help to identify the skills required to perform the project activities?

\* **Exercise:** *Draw up a Project Resources Form and list in column (1) all the identified project activities.*

ACTIVITIES	RESOURCES					
	Qty	HUMAN	Qty	EQUIPMENT	Qty	MATERIALS
(1)		(2)		(3)		(4)

- \* **Exercise:** *Examine the activities and decide which will require human resources.*  
*For each of these activities enter in column(2) of the Project Resources Form, the type of skills required.*
- \* Question: Are there members of the group with the required skills?
- \* Question: Who can provide the necessary skills?
- \* **Exercise:** *Enter in column (2) of the form the names of the individuals or contractor who can perform the work.*
- \* Question: Will the group members require training before they can perform the project activities?
- \* **Exercise:** *Enter in column (1) of the Project Resources Form the type of training required.*
- \* **Exercise:** *Enter in column (2) the name of the person or organization who can provide the necessary training.*
- \* Question: Does the group own any equipment?
- \* Question: Which of the group members can help to identify the equipment required to perform the project activities?

- \* **Exercise:** *Examine the activities and enter in column (3) of the Project Resources Form a list of equipment required.*
- \* **Question:** Can the required equipment be borrowed from group members?
- \* **Question:** Need the equipment be purchased or will it be cheaper to rent it?
- \* **Exercise:** *Enter in column (3) of the Project Resources Form where the equipment will be obtained, and whether it will be rented, borrowed or bought.*

- \* **Question:** Who is going to operate the equipment?

- \* **Exercise:** *Enter the names in column (2) of the form.*



- \* **Question:** Will the operators require training? Who can provide the training?

- \* **Question:** Does the group own any materials?

- \* **Question:** Which of the group members can help to identify the materials required to perform the project activities?

- \* **Exercise:** *Examine the activities and enter in column (4) of the Project Resources Form a list of materials required.*

*Enter in column (4) of the Project Resources Form where the materials can be obtained.*

- \* **Question:** How will the group find out the price of materials and equipment?

- \* **Question:** Who will be going to buy the materials and equipment?

- \* **Question:** Will transportation be required to deliver the equipment and materials to the project site?

- \* **Question:** Will representatives of the group have to make journeys to attend meetings, or to make regular visits the bank?

DESCRIPTION	JOURNEY DETAILS			
	No.	From	To	Cost

- \* **Exercise:** *Examine the information recorded on the Project Resources Form, and identify what and how many journeys group members will have to make.*

- \* **Question:** Will overnight stays be required?

- \* **Exercise:** *Enter the answers on the Transportation Requirements Form.*

- \* **Exercise:** *Identify and record on the Transportation Requirements Form materials and equipment transportation requirements.*

## COST ESTIMATING

- \* Question: When preparing cost estimates, should current costs or estimated future costs be used?
- \* Question: How is allowance made for possible increases in costs?
- \* Question: When planning the project, were the activities grouped into "part" projects?
- \* Question: Will it be helpful when preparing cost estimates to group activities into "part" projects?

### Labour Costs

- \* Question: Are there group members who can assist in estimating labour costs?
- \* Exercise: For each of the "part" projects, examine the Project Resources Form and list in columns (1) and (2) of the Labour Costs Estimating Form, details of the activities and skill requirements.

- \* Exercise: Examine each activity listed in column (1) of the Labour Costs Estimating Form and the Project Plan, and estimate for each skill how long each activity will take. Enter the answers in column (3).

"PART" PROJECT-				
DETAILS	SKILL	MAN DAYS	COST PER MAN DAY	TOTAL COST
TOTAL				

- \* Exercise: For each skill, enter in column (4) of the form the cost per man day, (or hour). For each activity calculate the cost for each skill, and enter the answers in column (5).
- \* Question: Will a contractor have to be employed to undertake some of the project activities?
- \* Question: What project activities will be performed by a contractor?
- \* Question: Are there group members who can assist in identifying a suitable contractor?

**TAKE GREAT CARE WHEN SELECTING A CONTRACTOR.**

- \* Question: What is a "work specification"?
- \* Question: Are there group members who can assist in writing a description of the work to be performed by a contractor?
- \* Question: What details should be included in a "work specification"?
- \* Question: Will the contractor be responsible for providing all tools, equipment, materials, labour and transportation?
- \* Question: Is it satisfactory for a contractor to tell you the price he will charge for doing the work, or should a written quotation be obtained?



- \* Question: What details should a contractor include in the written quotation?
- \* Question: Should an estimate be obtained from only one contractor, or should a second quotation be obtained in order to make a comparison?
- \* Question: If quotations are obtained from more than one contractor, how should the group decide which contractor to employ?
- \* Question: Should the contractor submitting the lowest estimate always be employed?
- \* Question: Other than cost, what other factors should be considered when choosing a contractor?
- \* Exercise: *Enter details of the quotation of the chosen Contractor on the Labour Costs Estimating Form.*
- \* Question: What is the Total Labour Cost for each of the "Part" Projects?

**Materials Costs**

- \* Question: Are there group members who can assist in identifying suitable suppliers of materials?

- \* Exercise: *For each of the "Part" Projects, examine the Project Resources Form and list in columns (1) and (2) of the Materials Costs Estimating Form, details of the materials and quantities required.*

"PART" PROJECT:-			
NAME OF SUPPLIER:-			
DESCRIPTION	Quantity	Unit Cost	COST
TOTAL			

- \* Question: What factors should be considered when choosing suppliers?
- \* Question: Should estimates of costs be obtained from more than one supplier?
- \* Exercise: *Enter the price quotations received from the chosen supplier in columns (3) and (4) of the Materials Costs Estimating Form.*
- \* Question: What is the total value of the materials required for each of the "part" projects?

**Equipment Costs**

- \* Question: Are there group members who can assist in identifying suitable suppliers of rented equipment?
- \* Question: Is the equipment required for the project going to be purchased or rented?
- \* Exercise: *Enter in columns (1) and (2) of the Equipment Costs Estimating Form, details and the quantity of the equipment to be rented.*
- \* Question: What factors should be considered when choosing suppliers?
- \* Questions: Should estimates of costs be obtained from more than one supplier?

\* **Exercise:** Enter the price quotations received from the chosen supplier in columns (3) and (4) of the Equipment Costs Estimating Form.

"PART" PROJECT:-			
NAME OF SUPPLIER:-			
DESCRIPTION	Quantity	Unit Cost	COST
TOTAL			

\* **Question:** What is the total cost of renting equipment for each "part" project?

\* **Question:** Are there group members who can assist in identifying suitable suppliers to purchase equipment from?

\* **Exercise:** Enter in columns (1) and (2) of a new Equipment Costs Estimating Form, details and the quantity of the equipment to be purchased.

\* **Question:** What factors should be considered when choosing suppliers?

\* **Question:** Should estimates of costs be obtained from more than one supplier?

\* **Exercise:** Enter the price quotations received from the chosen supplier in columns (3) and (4) of the Equipment Costs Estimating Form.

\* **Question:** What is the total cost of purchasing equipment for each "part" project?

### Transportation and Accommodation Costs

\* **Question:** Have all the journeys required to be made by group members to attend meetings and visit the bank etc, been identified on the Transportation Requirements Form?

DESCRIPTION	JOURNEY DETAILS			
	No.	From	To	Cost

\* **Question:** Have all the journeys required to deliver equipment and materials been identified on the Transportation Requirements Form?

\* **Question:** During the planned visits, will the group representatives have to make overnight stays? Have all these been identified on the Transportation Requirements Form?

\* **Question:** What is the total cost of transportation and accommodation for each "part" project?

### Miscellaneous Costs

\* **Question:** Will the group require the assistance of external organizations to provide training? What will be the costs?

\* **Question:** Will the group have to pay rent for the use of buildings or land?

\* **Question:** What other identified project costs have not been listed on the Cost Estimating Forms?

- \* Question: What are the total miscellaneous costs for each of the "part" projects?

**Total Project Costs**

- \* **Exercise:** List all the "Part" Projects, (or for small projects, their activities), in column (1) of the Project Cost Estimate Summary Form.

Using the information detailed on the completed Cost Estimating Forms, for each "Part" Project, (or for small projects, their Activities), enter on the Project Cost Estimate Form, the estimated costs for: **Labour, Materials, Equipment, transportation and Miscellaneous.**

PART PROJECT	ESTIMATE OF COSTS					TOTAL
	LABOUR	MATER'S	EQUIPT	TRANS	MISCEL	
SUB TOTAL						
ADMINISTRATION @ 5 % of estimated project cost						
TOTAL ESTIMATED PROJECT COST						
CONTINGENCY @ %						
TOTAL ESTIMATED PROJECT EXPENDITURE						

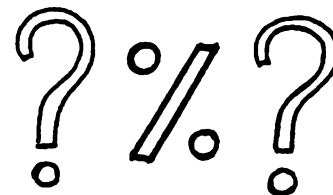
- \* Question: What are the sub-totals for Labour, Materials, Equipment, Transportation and Miscellaneous?
- \* Question: What is the Total when all the values in the sub-totals row are added together?
- \* Question: What is the Total when all the "part" project Total costs are added together?

**Administration Costs**

- \* Question: What are the administration costs of a project?
- \* Question: What simple way can be used to estimate administration costs of a project?
- \* Question: What is 5% of the Total cost of the "Part" Projects? (i.e multiply the Total Cost by 0.05).
- \* **Exercise:** Enter the calculated administration cost on the Project Cost Estimate Summary Form.

**Contingency Allowance**

- \* Question: Why is it necessary to add a contingency allowance to the project estimate?
- \* Question: How is the project contingency figure estimated?
- \* Question: What factors should be considered when deciding on the percentage of the total estimated project cost to be used as the project contingency figure?
- \* Question: What is the current rate of inflation?



- \* Question: How much confidence is there that all the project activities have been identified?
- \* Question: Are there any risks of the project not going according to the plan?
- \* Question: What percentage should be used to calculate the project contingency figure?
- \* Exercise: *Enter the calculated contingency percentage and figure on the Project Cost Estimate Summary Form.*
- \* Question: What is the Total Estimated Project Expenditure?

**Expenditure Phasing**

- \* Question: What is meant by “expenditure phasing”?
- \* Question: Will the group require all the funds at the start of the project?
- \* Question: Will all the “part” projects occur at the same time?
- \* Question: Will some “part” projects be completed before others begin?

"PART" PROJECT or ACTIVITIES	EXPENDITURE PHASING				EXPENDITURE TOTAL
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
SUB TOTAL					
CONTING %					
TOTAL Expenditure					
TOTAL INCOME					
TOTAL FUNDS REQUIRED					

- \* Exercise: *List the “part” projects in column (1) of the Project Expenditure Phasing Form.*
- Using the project plan and the project expenditure estimate, determine the timing and the amount of funds required throughout the project. (It will be easier to work out the phasing, if the project is divided up into four periods of equal length. For example, if the project is due to last 16 months, each period would be four months long).*

*Enter the answers on the Project Expenditure Phasing Form.*

- \* Question: What are the Sub-Total expenditures for each quarter?
  - \* Exercise: *Multiply each Sub-Total by the % chosen for the project contingency. For example, if 15% contingency is used multiply by 0.15, or if 10% contingency is used multiply by 0.1, or for 5% multiply by 0.05.*
- Enter the calculated contingency for each quarter on the Project Expenditure Phasing Form.*
- \* Question: What is the total project expenditure for each quarter?
  - \* Question: What is the total estimated project expenditure of the group's project?
  - \* Question: Is the figure of the total estimated project expenditure calculated on the Project Expenditure Phasing Form the same as that calculated on the Project Cost Estimate Summary Form?

## **Income Earning Projects**

- \* **Question:** Will the group's project be earning income during the planned project programme? If the answer is yes, when will it start earning income, and how much will it earn each quarter?
- \* **Exercise:** *If the answer to the above question is yes, enter the estimated income figures for each quarter on the Project Expenditure Phasing Form.*
- \* **Question:** What will be the total funds required by the group for the project?
- \* **Question:** How much funding will the group require each quarter?

**CHECK THAT THE ESTIMATE IS CORRECT.**

**PROJECT RESOURCES FORM**

ACTIVITIES	RESOURCES					
	Qty	HUMAN	Qty	EQUIPMENT	Qty	MATERIALS

TRANSPORTATION REQUIREMENTS FORM

DESCRIPTION	JOURNEY DETAILS			Cost
	No.	From	To	
<b>TOTAL COST \$</b>				

LABOUR COSTS ESTIMATING FORM

"PART" PROJECT:-				
DETAILS	SKILL	MAN DAYS	COST PER MAN DAY	TOTAL COST
			<b>TOTAL</b>	



MATERIALS / EQUIPMENT COSTS ESTIMATING FORM

"PART" PROJECT:-			
NAME OF SUPPLIER:-			
DESCRIPTION	Quantity	Unit Cost	COST \$
			<b>TOTAL \$</b>



**PROJECT COST ESTIMATE SUMMARY FORM**

"PART" PROJECT or ACTIVITY	ESTIMATE OF COSTS						TOTAL
	LABOUR	MATERIALS	EQUIPMENT	TRANSP'	MISCEL'		
<b>Sub Total</b>							
<b>ADMINISTRATION @ 5% of estimated project cost.</b>							
<b>TOTAL ESTIMATED PROJECT COST</b>							
<b>CONTINGENCY @ %</b>							
<b>TOTAL ESTIMATED PROJECT EXPENDITURE</b>							

PROJECT EXPENDITURE PHASING FORM

"PART" PROJECT or ACTIVITIES	EXPENDITURE				EXPENDITURE TOTAL \$
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
SUB TOTAL					
CONTINGENCY %					
TOTAL EXPENDITURE					
TOTAL INCOME					
TOTAL FUNDS REQUIRED					

## CHAPTER 5

### PROJECT FUNDING

The questions and exercises in this chapter relate to the subjects covered in Chapter Five of the Handbook. They examine the methods available for obtaining funding for a project.

It is suggested that you read Chapter Five of the Handbook before starting the exercises and questions.

- \* Question: How much money does the group require to fund the proposed project?
- \* Question: What are the three main sources of project funding?

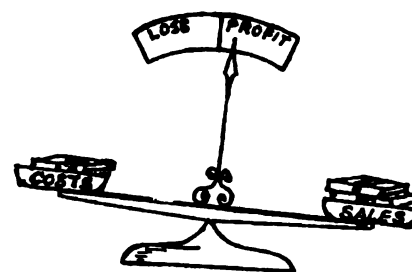
#### SELF HELP

- \* Question: What activities can a group organize in order to obtain funds?
- \* Question: Can a group organize a concert or show to raise funds?
- \* *Exercise: Make a list of group and community members who could take part in a fund raising show.*
- \* Question: Does the group own equipment, goods or property that can be sold to obtain funds?
- \* *Exercise: Make a list of all the unwanted equipment, goods and property the group owns. Estimate how much money could be raised if they were sold.*
- \* Question: Are group members prepared to make gifts of money or goods to the group?
- \* *Exercise: Consider what methods can be used to encourage group members to provide financial assistance to the group.*
- \* Question: What other forms of self help are there?
- \* *Exercise: Make a list of all group members who would be prepared to work unpaid on project activities. Are their skills and talents suitable to undertake project tasks?*
- \* *Exercise: Does the group engage in any profit making activities?  
How much profit is made each year?  
Is all or part of the profits available to fund a new project?*

#### LOANS

- \* Question: What types of projects are suitable for funding, totally or in part, by means of loans?
- \* Question: Has the group previously obtained a loan?  
From whom?  
Was the loan paid back in full?

- \* Question: Is the group's proposed project suitable for funding, wholly or partly by loans?
- \* Question: Will the project earn money for the group?
- \* Question: Will sufficient money be earned to cover the on-going operating costs, plus enough to pay back any money borrowed and interest charged?
- \* Question: Is the project a suitable one to be funded by a loan?  
For how long would the group require to borrow the money?
- \* Question: What is meant by the term "collateral"?
- \* Question: What security can the group provide against any loan obtained?
- \* Question: What are the main sources of loans?



### Private Individuals or Organizations

- \* Question: Would the members of the group be prepared to give loans for the project?
- \* Question: Are there other people or businesses in the community who could be persuaded to give loans to the group?
- \* *Exercise: Make a list of the people or businesses who may be persuaded to provide loans to the group.*
- \* Question: If private loans are given, should a formal written contract be entered into between the lender and the group?
- \* Question: What items should be covered in any contract?

### Banks

- \* Question: Does the group have an account in any bank?
- \* Question: What is the name and address of the closest bank?
- \* Question: What factors do banks take into consideration when deciding whether to grant a loan?
- \* Question: What is meant by "credit worthiness"?
- \* Question: Does the group have any debts?  
Has the group a good record of paying back money it owes?
- \* Question: What information should be contained in a loan proposal document?
- \* Question: Is it better to have a meeting with the bank manager before preparing a loan proposal document?

- \* **Question:** If representatives of the group have a meeting with a bank manager before they have written a loan proposal document, will they have all the answers to any question the manager might ask?
- \* **Question:** What skills and talents will be required to write a loan proposal document?
- \* **Exercise:** *Make a list of all the group and community members who can assist in preparing a loan proposal document.*

**IF IN DOUBT SEEK TRAINING.**

- \* **Question:** What is a "business plan"?
- \* **Question:** What information should be contained in a business plan?
- \* **Question:** What is meant by "cash flow budget"?
- \* **Exercise:** *Estimate for each month of the period the group wishes to have a loan:*
  - a) *The total monthly expenditure, (including all operating costs and repayment instalments of the loan and interest charged).*
  - b) *The total monthly receipts, (including all money earned by the group).*
- \* **Question:** What form of business will the group be undertaking?  
Will the group be selling products or providing a service?  
Who will be the group's main competitors?
- \* **Exercise:** *Make a list of the information which will prove that the group is a well managed organization that should be granted a loan.*
- \* **Question:** What are the weaknesses of the group, which might prevent a loan from being granted?  
What steps can be taken to strengthen the group's position in these areas?  
What can be done to compensate for weaknesses?
- \* **Exercise:** *Write, in not more than two sentences, a description of the group. Also, in not more than three sentences, give a description of the proposed project.*
- \* **Question:** When writing to the bank manager for the first time about a loan, what should be the main objective of the letter?
- \* **Exercise:** *Write a letter to a bank manager, requesting a meeting so that you can discuss a loan application.*
- \* **Question:** Who are the best persons to represent the group at a meeting with a bank manager?

- \* Question: Should all the committee members attend, or only a small group who know all the facts and can clearly describe the group's requirements?

### Enterprise Development Agencies

- \* Question: What are the main differences between a bank and an enterprise development agency?
- \* Question: Is there an enterprise development agency operating that you can seek funds from?
- \* Question: What are some of the rules governing the granting of loans by an agency?
- \* Question: Can the group members be formed into smaller groups in order to stand as guarantors for each other?
- \* Question: What are the responsibilities of the group members, when they stand as guarantors for each other?
- \* Question: Are the group's activities suitable for funding by a loan from an enterprise development agency?

### **GRANTS**

- \* Question: What is the first step a group should take in applying for a loan from an agency?
- \* Question: What is the main difference between a loan and a grant?
- \* Question: After obtaining a grant, can a group change its mind and decide to use the funds for some other activity?
- \* Question: What are the three main sources of grants?
- \* Question: Are there members of the group or the community who would be prepared to give a grant to the group?
- \* Question: Are there any large businesses operating in the community who could be persuaded to give a grant?
- \* Question: How can the group find out the names and addresses of national and international organizations who might give grants?
- \* Question: Does a member of the group know of any other group who have received a grant?
- \* *Exercise: Using the section of the telephone directory for the capital city, make a list of all foreign embassies and local aid agencies.*
- \* Question: Is there any harm in applying to more than one agency for a grant?
- \* Question: What is the main objective of preparing a project proposal document?
- \* Question: What information should be contained in a project proposal document?



\* Question: What is the title of the group's proposed project?

\* Question: What is the problem the group is trying to solve?



\* Exercise: Write a brief description of the problem the group is trying to solve and of the project. State who will benefit from the project and how. Indicate the total cost of the project and how much of this the group is applying to the agency for.

\* Exercise: Write a brief description of the community, and detail how the residents are affected by the problem the group is trying to solve.

\* Exercise: Describe the main features of the project. What will be the most important activities? Who will perform these activities? Will the group be employing a contractor? Will training be provided to group members?

\* Exercise: Make a list of the long-term benefits of the project. Will funds be required to ensure that the project continues to provide benefits in the future? Will a committee have to be formed to look after the operation of the project after the initial project period?

\* Question: When was the group formed?  
How many members are there in the group?  
Has the group previously undertaken any projects?

\* Question: What is the total cost of the project?  
How much grant money is the group applying for?



\* Exercise: Write a letter requesting an appointment with an agency to discuss the group's intention to apply for a grant to fund a project. In the letter include a brief description of the project.

## COMBINED FINANCING

\* Question: What factors should be considered when deciding if a project can be funded by means of a combination of loans and grants?

\* Question: Is the group's proposed project suitable for funding from a number of sources?

\* Question: What is meant by a "Revolving Loan Scheme"?

\* Exercise: Consider what rules would have to be agreed upon when organizing a revolving loan scheme.

\* Exercise: List the advantages and disadvantages of:

- a) A loan scheme which requires borrowers to provide collateral.
- b) A scheme where a number of members stand as joint guarantors.

- \* **Question: Is it better to require a member who wants a loan, to provide collateral, or is the system where another member or members stand as guarantor a better method?**
- \* **Question: What actions should be taken if a member fails to pay back a loan?**
- \* **Question: Should a limit be set on the maximum loan a member can receive?**
- \* **Question: What procedures should be used to decide which members should receive a loan?**

**A GROUP SHOULD BE SEEN  
TO FUNCTION AS A COMPETENT ORGANIZATION.**

## CHAPTER 6

### BASIC BOOK KEEPING AND KEEPING RECORDS

Irrespective of whether the project is financed by a loan or a grant, or even by means of self help, records will have to be kept of how the group spends its money. The questions and exercises in this chapter will assist participants to become familiar with the required accounting procedures .

It is suggested that you read Chapter Six of the Handbook while working through the questions and exercises.

- \* Question: What is meant by the term “financial transaction”?
- \* Question: What is meant, when you “make a purchase on credit”?
- \* Question: Why should a group keep accounts of its financial transactions?
- \* Question: Does the group or the treasurer have a preferred way of keeping accounts?
- \* Question: How will the group fund its project?
- \* Question: Will the group be receiving a loan or a grant from another organization?  
Will they require accounts to be kept?  
Have the group discussed with them the method they intend to use for keeping accounts and how often the funding agency will want to examine them?

### INVOICES AND BILLS

- \* Question: What other records and documents, apart from accounts, must be kept?
- \* Question: Why do you have to keep all invoices, bills and receipts?
- \* Question: When is an invoice obtained?
- \* Question: Is the statement “you do not record credit transactions in accounts” correct?
- \* Question: How can a record of credit transactions be kept?

### RECEIPTS

- \* Question: Why should a receipt always be obtained when making a purchase for the group?
- \* Question: Is a receipt given to someone buying on credit?
- \* Exercise: *On the 1st February, John and his brother Mark Williams pay their group membership fee of \$100 each. How many receipts should be written, one or two?*

Write out one of the receipts. Give it the number 01.

No. ....	Date .....
<i>Received from</i> .....	
the sum of .....	
for .....	
\$ .....	
..... With thanks	

\* Question: Will the group members have to pay a membership fee?  
Will membership cards, or receipts be issued?

\* Exercise: 100 orange plant seedlings have been sold to the Kamia Agricultural Group.  
They each cost \$50. They were delivered on 15th January and paid for on 1st  
February. Write out the required receipt.

No. ....	Date .....
<i>Received from</i> .....	
the sum of .....	
for .....	
\$ .....	
..... With thanks	

\* Question: On what date should the receipt have been issued, 15th January or 1st February?  
Why?

## ACCOUNTS

\* Question: Should the group committee members all learn and understand the methods  
used for keeping the group's accounts?

\* Question: What arrangements can be made to train the committee members in accounting  
procedures?

\* Question: Should only the committee members be trained, or should all members of the  
group have the opportunity to be trained?

\* Question: What is meant by "accounts must be auditable"?

- \* **Question:** Who will audit the group's accounts?  
How frequently will they be audited?
- \* **Question:** Why should the reference number of a receipt or bill or cheque be written in the journal for every transaction?
- \* **Exercise:** Enter the following details and transactions into *page 2* of the journal:-
  - \* 17th March, Balance Brought Forward, received \$10,000, paid \$1,000, Balance \$9,000.
  - \* 18th March, received payment of \$100 membership fee from George Prince. (Receipt number 04).
  - \* 19th March, purchase of 10 cutlasses at \$400 each. ( Receipt number 97 ).
  - \* 25th March, deposit payment of \$5,000 for the purchase of an outboard motor. ( Receipt number A19 ).
  - \* 26th March, received loan from bank of \$5,000.

**Make out the balance for the page, and carry the balance forward to page 3 of the Journal.**

PAGE NUMBER:- .... 02 .....

Date	Details	Ref.	Received \$	Paid \$	Balance \$
	<b>BALANCE</b>				

Date	Details	Ref.	Received \$	Paid \$	Balance \$

\* **Question:** A group member asks to be given a loan. The borrower promises to pay back the money the next day. Should this transaction be entered in the Journal?

**Hint:** Firstly, consideration must be given to whether the group constitution allows loans to be given to members. If it does, rules should be put in place to cover who can approve the loan. It is suggested that the approval of at least two executive members be required. Even though the repayment is to be made within a short period of time, all transactions must be recorded in the journal.

\* **Question:** How can a balance written down be checked to see if it is correct?

\* **Exercise:** *Is the following balance brought forward correct?*

Date	Details	Ref.	Received \$	Paid \$	Balance \$
9th May	Balance B/F		15,000	5,000	9,000

\* **Exercise:** *Is the following balance brought forward correct?*

Date	Details	Ref.	Received \$	Paid \$	Balance \$
30th May	Balance B/F		15,000	9,000	6,000

You might have answered that the above balance is correct. But the balance brought forward cannot be checked just by examining if the difference between the funds received and those paid out, equals the balance. You must compare the entry with the balance made at the bottom of the previous page.

- \* **Exercise:** What would the answer to the above question be, if the balance at the bottom of page 02 was:-

PAGE NUMBER:- .....02...

Date	Details	Ref.	Received \$	Paid \$	Balance \$
30th May	Balance		16,000	8,000	8,000

You should view such entries as those above with a great deal of suspicion. For while it is understandable if a mistake is made when transferring the figures forward, for both entries to be different, yet each line to balance is very unlikely to happen unless it was done intentionally.

- \* **Exercise:** What reason could the Treasurer have in making such entries?

Hint: what has happened to the \$2,000 difference between the two Balance entries (\$8,000 - \$6,000)?

- \* **Exercise:** How many of the 11 mistakes can you identify in the following journal entries:

PAGE NUMBER:- .....

Date	Details	Ref.	Received \$	Paid \$	Balance \$
30th May	Balance B/F		50,000	20,000	25,000
	Sale of planting materials	08	3,000	-----	28,000
3rd May	Purchase of axes		-----	2,000	26,000
5th May	Sale of Chemicals	08	3,500 2,000	-----	23,000
6th May	Sale of planting materials	10		1,000	24,000
30th May	BALANCE		56,500	28,000	24,000

**PROJECT DIARY**

- \* Question: Will it be useful for the group to keep a project diary?
- \* Question: Who will be the best person to make entries in the diary?  
Should it be only one person or could any member of the committee make entries?
- \* Question: What information will your group find it useful to record?
- \* Question: Would it be useful to keep a photographic record of the project?

**BANK ACCOUNTS**

- \* Question: What factors should be considered when choosing the type of bank account the group should have?
- \* Question: How often will the group be making withdrawals from the account?
- \* Question: Who will be the three signatories for the bank account?
- \* Question: How easy will it be for two of the signatories to go to the bank to make withdrawals?
- \* Question: When opening a bank account what information and documents will the signatories require?
- \* Question: When making a withdrawal from a current account do the signatories have to go to the bank?
- \* Question: How many signatories are required to sign the group's cheques?
- \* Exercise: On the 1st June, the following bill is received from "A" Star Supplies Ltd. Write out a cheque for the payment.

No. <i>9/203</i>		<b>BILL</b>	
<b>"A" STAR SUPPLY Ltd.</b> Affiance, Guyana. Tel: 6433/7856			
Deliver To:			
Name: <i>Big Development Group</i>		Date: <i>27<sup>th</sup> May 1996</i>	
Address: <i>Big Community</i> <i>Guyana</i>			
Quantity	Description	Unit Price \$	Value \$
<i>2</i>	<i>1 gallon cans of white paint</i>	<i>2100</i>	<i>4200</i>
<b>TOTAL \$</b>			<b><i>4200</i></b>



Date:-

THE BANK OF DEVELOPMENT LIMITED.  
West Street, Georgetown.

Pay:- .....

.....

..... Dollars.

A/C 3490      No. 20456

\* **Exercise:**      *Identify the 3 mistakes on the following cheque.*

Date:- 31<sup>st</sup> June

THE BANK OF DEVELOPMENT LIMITED.  
West Street, Georgetown.

Pay:- 'A' Star Supply Ltd .....

FOUR THOUSAND AND TWO DOLLARS .....

~~ONLY~~ ..... Dollars.

A/C 3490      No. 20456

**RECORD KEEPING**

- \*      Question:      In addition to financial records, what other documents should a group keep secure?
- \*      Question:      Will the group enter into written contracts?
- \*      Question:      Will the group receive a loan or grant?  
Will the organization providing the funds require representatives of the group to sign an agreement governing the use of the funds?
- \*      Question:      Does the group's secretary keep minutes of the group's meetings?
- \*      Question:      Is there a list of names of all the group members?

- \* Question: Has the group written or received any letters?
- \* Question: Who should be the person to look after all the group's records and documents?  
Should it be just one person?

**KEEP ALL INFORMATION SAFE**

# CHAPTER 7

## PROJECT SUPERVISION

To manage a project successfully, members of the group will require management skills. The exercises and questions in this chapter have been devised to enable group members to become familiar with some of the techniques of management.

It is suggested that the questions and exercises which follow should be attempted while reading Chapter Seven of the Handbook.

### MONITORING AND EVALUATION

- \* Question: What is a "bar chart" and how can it be used to plan a project? (See Chapter 3).
- \* Question: What are the key activities of the group's proposed project?
- \* Question: Have the dates when these activities have to be completed been identified?
- \* Question: What would be the overall effect on the project if one or more of the key activities is delayed?
- \* Question: What is meant by the term "expenditure phasing"? (See Chapter 4)
- \* Question: Will the group require all the project funds at the start of the project?
- \* Question: What is the estimated total expenditure for the first three months of the project?
- \* Question: During the first quarter what activities will require the most funding?
- \* Question: Is it essential that all activities are completed exactly to plan?
- \* Question: How can experience gained while performing project activities be used to modify a plan?


### DECISION TAKING

- \* Question: What questions should be taken into consideration before deciding to change a project plan?
- \* Question: What are the two ways that people generally make decisions?
- \* Question: What are the main differences between the two methods?
- \* Question: If all the facts are not available, what can be done to enable decisions to be taken?
- \* Question: During the planning of the project, what was the most difficult decision that had to be taken?



- \* Question: Who took the decision?
- \* Question: How many members of the group were consulted before the decision was taken?
- \* Question: Why is it important to consider the opinions of the group members before making a decision?
- \* Exercise: *It is recognized that a wrong decision has been taken. What should the group do:*
  - a) *Ignore the fact and carry on as if nothing has happened.*
  - b) *Try to find someone to blame.*
  - c) *Decide what corrective action should be taken*
  - d) *Think up a good excuse to try to prove that at the time it was taken it was the correct decision.*
- \* Question: When a problem that could affect a project is discovered, what should be done before deciding upon the corrective action to be taken?
- \* Question: Why is it important to look at the overall effect of the proposed action on the project, before making a decision?
- \* Question: Once a decision has been taken, what action should the committee take next?
- \* Question: What could happen if the group members are not informed of a decision to change the project plan?

## CONFLICT RESOLUTION

- \* Question: When members of a group disagree, what are the main factors that control whether they will resolve their differences?
- \* Question: Why might it be better to ask questions and **listen** to the answers rather than try to persuade persons to change their minds?
- \* Question: If a disagreement occurs in a group, is it better to ignore it in the hope that it might go away or should action be taken to resolve it as soon as possible?
 
- \* Question: If the conflict in a group gets so bad that it affects the ability of the group to complete a project, what should the group members do?
- \* Question: What role can a funding agency play in resolving group disputes?

## MANAGING CHANGE

- \* Question: What changes in the community does the group's project plan to achieve?
- \* Question: What are the possible undesired changes that could occur?
- \* Question: What actions could the group take to ensure that the bad results do not occur?
- \* Question: Do some members of the community oppose the activities of the group?
- \* Question: How can the support of the whole community be obtained?
- \* Question: Is it possible to manage events, or does the group have only limited influence on results?
- \* Question: Is it sufficient just to consider and plan for the next project activity or should a longer term view be taken?
- \* Question: Why is it important that managers should know and understand the resources they will have at their disposal?
- \* Question: What are the group's weaknesses?
- \* Question: How can they be compensated for?
- \* Question: What are the group's strengths?
- \* Question: How can advantage be taken of these strengths?

## PROJECT MANAGEMENT

- \* Question: Are there members of the group who have experience in managing projects?
- \* Question: Have members of the group received training in project management?
- \* Question: What is the best way for a group to decide how to manage a project?
- \* Question: Who will manage the group's project?
- \* *Exercise: Review the following two statements and decide which one you agree with:*
  - a) *If a manager of a project has the objective of proving that he is a good manager, the project is likely to be completed successfully.*
  - b) *If a manager of a project has the objective to assist everyone who participates to give of their best, then the project is more likely to be completed successfully.*

*What was the reason for your choice?*
- \* Question: What steps could group leaders take to encourage the group members to work well and to give of their best for the group?
- \* Question: How is being a group leader different to managing a business that employs staff?

\* Question: What are the qualities of a good leader?



\* Question: Is there a difference between being a good leader and a good manager?

\* Question: What is required for the project to be successful, good leadership or good management?

\* Question: Is the following statement correct: "All contractors know what they are doing and should be left to get on with their work without interference from the group"?

\* Question: How can a group judge how much a contractor should be supervised?

\* Exercise: Which of these statements are correct:

- a) A contractor is in business to make as much profit as possible.
- b) A contractor's first objective is to provide as good a service as possible, so that he will obtain repeat orders.
- c) To remain in business a contractor has to make a profit, but if he does not provide a good service his reputation will be damaged, and he will soon go out of business.

\* Question: Why is it important that clear instructions are given to a contractor, stating the group's requirements?

\* Question: Is it necessary to obtain from a contractor a written estimate of the cost of the planned work?

\* Question: If a dispute arises between a contractor and a group, why would it be important to have written evidence of agreements made and instructions given to a contractor?

\* Question: How can a group avoid having problems with a contractor?

\* Exercise: Make a list of all the group members who have relevant experience, who can assist and provide advice on supervising a contractor.



\* Question: What should be the group's objectives?

- a) To closely control all the contractor's activities.
- b) Assist the contractor to provide a good service to the group.

## **FINANCIAL CONTROL**

- \* Question: Will the group be receiving a grant from a funding agency?  
Has the agency provided guidelines on its financial control and reporting requirements?
- \* Question: Is it important that rules governing the control of the group's finances are agreed before the work starts on the project?
- \* Question: Has the group agreed on procedures for approving financial expenditure?
- \* *Exercise: Make a list of all the group members who have the trust of all members, and have the relevant experience to manage the group's funds.*
- \* Question: Has the group selected a sub-committee to control the finance and purchasing of equipment and materials?
- \* Question: How many members are there on the sub-committee?  
Will all the sub-committee's members have to give their approval before money can be spent?
- \* Question: Will the group have a "petty cash" fund?  
Who will be responsible for keeping the money safe and maintaining a record of money spent?
- \* Question: What is the maximum amount of money that can be spent from petty cash?

## **QUALITY CONTROL**

- \* Question: Is it necessary to have procedures to ensure that the required quality of work is achieved and maintained?
- \* Question: How can a group ensure that desired standards are maintained?
- \* *Exercise: Make a list of all the group members who can assist in maintaining the standards of material purchased and work done.*

## **PLANNED PROCUREMENT**

- \* Question: What is meant by the terms "off the shelf" and "long lead" items?
- \* Question: Has a list been prepared of the equipment and materials that will be required for the group's project?
- \* Question: Are any "long lead" items required that will need to be ordered well in advance of the time they will be needed?
- \* Question: Who is responsible for making purchases and placing orders on behalf of the group?
- \* Question: What could be the possible result if, to save time and effort, all the required materials are bought at the same time?

## **TIME MANAGEMENT**

- \* **Question:** Is time a valuable resource?
- \* **Question:** Do group members turn up on time for meetings?
- \* **Question:** Does it matter if meetings start late?
- \* **Question:** If people are kept waiting for a meeting to start, what else could they be doing at that time?
- \* **Question:** Are group meetings run efficiently?
- \* **Question:** What improvements can be made to improve the running of the group meetings?
- \* **Question:** Do group meetings have agendas and are minutes kept?
- \* **Question:** How can the delegation of duties save time and improve the efficiency of the group?
- \* **Exercise:** *Make a list of the qualities of a good project manager.*
- \* **Question:** Do any group members have these desired qualities?
- \* **Question:** Will the group require additional training before work commences on the project?



## CHAPTER 8

### PROJECT EXECUTION

With the preparatory activities completed and funds obtained, the group can begin on the project tasks. Whether performed by group members or a contractor employed by the group, the work will have to be managed until the project is accomplished. The questions and exercises in this chapter will assist the participants to identify the key project management duties.

Reference should be made to Chapter Eight of the Handbook when working through the questions and exercises.

#### GETTING STARTED

- \* Question: What are the qualities and experience required to make a good project manager?
- \* Exercise: *List the names of group members who have management experience or are suitably qualified to manage a project.*
- \* Exercise: *List the advantages and disadvantages of the project being managed by:*
  - a) *One person*
  - b) *A team of group members.*
- \* Question: Should the group's project be managed by just one person or a team?
- \* Question: Should the decision on who is to manage the project be made by the group committee or by all the members at a general meeting?
- \* Question: If it is decided to have a Project Management Team (PMT), is it best for it to be chosen by the group committee or elected by all the group members?
- \* Question: What is the most important qualification PMT members should possess?
  - a) They are popular with the majority of the group members.
  - b) They are good managers.
- \* Question: What procedures should be put in place to ensure that the group committee is kept fully informed of project activities?
- \* Question: Will only the group committee be allowed to make all decisions regarding the project or will the PMT have full control?
- \* Question: Should the PMT be allowed to make decisions which could alter the objectives of the project?
- \* Question: Is it possible to agree upon procedures which will allow the PMT to make all the necessary decisions to manage the project?  
Can this be done while requiring them to seek the group committee's approval for any action or change in the project plan which might alter the project objectives?

- \* Question: Have the individual members of the PMT been given specific areas of responsibility or will all members be responsible for all activities?

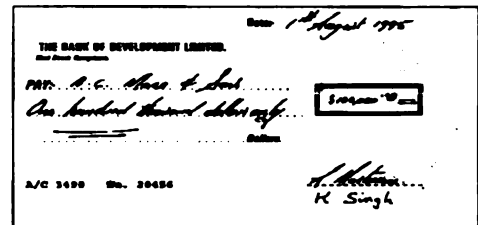


- \* Question: During the planning of the project, were lists prepared of all materials and equipment to be purchased?
- \* Question: Are purchasing activities identified on the project plan?
- \* Question: Has a member of the PMT been appointed to be responsible for making all purchases?
- \* Question: Should decisions on making purchases be based on the initial estimates obtained or should a check on current prices be made before an order is placed?
- \* Question: If all prices have increased since the time the estimates were prepared, how can the group find the additional funds?
- \* Question: When the project budget was prepared, was an allowance made to cover possible increases in prices due to inflation?
- \* Question: In the event that a budgeted contingency allowance is insufficient to cover additional costs, what action should a group take?
- \* Question: Where will the group store materials and equipment purchased? Is it a safe and secure place?
- \* Question: Has the PMT prepared procedures for checking the quality and quantity of all materials and equipment purchased?
- \* Question: What is meant by "shelf-life"? How can it be checked?
- \* Question: Has the PMT agreed on procedures for giving approval for the release of money to pay bills?
- \* Question: Who will make the payments of project costs?
- \* Question: Why is it important to obtain receipts for all payments?
- \* Question: Who will keep the project accounts?

## **EMPLOYING CONTRACTORS**

- \* Question: If a contractor has to be employed, is it necessary to obtain an estimate before an order is placed?
- \* Question: What information should be contained in tender documents?
- \* *Exercise: List the people who can assist the PMT in preparing tender documents.*

- \* Question: If a contractor completes all the work in accordance to the description in the tender document, and it is found not to be "fit for purpose", is it the responsibility of the group or the contractor to pay for any corrections?
- \* Question: What are the advantages of asking more than one contractor to provide estimates?  
What, if any, are the disadvantages?
- \* Question: If a contractor requires money to prepare an estimate, should the group agree to pay a fee?
- \* Question: Should a contract always be awarded to the contractor giving the lowest cost estimate?
- \* Question: What factors, other than costs, need be considered when deciding who is awarded a contract?
- \* Question: Why is it important to attempt to find out about a contractor before giving him a contract?
- \* Exercise: *Make a list of the people who can assist the group to prepare agreements.*
- \* Question: If the group is receiving a grant from a funding agency, does the agency have procedures that it will want the group to follow when obtaining tenders and entering into agreements?
- \* Question: What information should be contained in an agreement?
- \* Question: Should payments for work by a contractor be paid as one lump sum after the work has been satisfactorily completed, or in stages throughout the work?

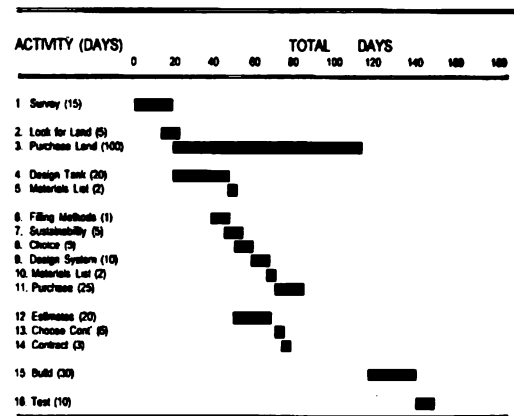


## MANAGING ACTIVITIES

- \* Exercise: *What types of work are suitable to be performed as day-work and taskwork? List the advantages and disadvantages of both systems.*
- \* Question: Are any of the group's project activities suitable for taskwork or day-work? Can they be organized to be done by small or large groups of members?
- \* Exercise: *List the names of all the group members who have the necessary skills and who are prepared to work on project activities.*
- \* Exercise: *Which of these statements is correct?*
  - a) *Once work is given to groups to perform, the PMT ceases to have responsibility to ensure that it is completed on time, to the required standard and within budget.*

b) *It does not matter how the work is organized or who performs it, the PMT is always responsible.*

- \* Question: In order to ensure that resources will be available when required, what procedures will the PMT use to review future planned activities?
- \* Question: Why is it important to monitor the progress of a project?
- \* Question: What procedures will the PMT put in place to monitor the progress of the project?
- \* Question: How will the PMT measure that project activities are being completed on time and within budget?
- \* Question: Why, during the project, is it not necessarily a bad thing to amend the project plan?
- \* Question: Before a project plan is amended what facts should be taken into consideration?



## COMMUNICATIONS AND REPORTING

- \* Question: Will the PMT be required to produce monthly reports?
- \* Question: What information should a monthly report contain?
- \* Question: What is a reasonable deadline to set for completion of a report?
- \* Question: Who will be responsible for keeping the project accounts?
- \* Question: Is it important that all the members of the group committee and PMT are familiar with the accounting procedures to be used?
- \* Question: How frequently will the PMT check the accuracy of the accounts?

## PROJECT CLOSE-OUT

- \* *Exercise:* *Make a list of people who can assist the PMT in inspecting, and if necessary, testing completed "part projects".*
- \* Question: Who should decide when a project is completed?
  - a) The Project Management Team.
  - b) The members of the group committee.
  - c) All the members of the group.
- \* Question: Have all the planned activities got to be completed before the project can be "closed"?

- \* **Question:** What are "punch list" items?
- \* **Question:** On completion of the project, what information should be provided by the PMT to the group committee?
- \* **Exercise:** *Make a list of all the people who could perform an audit to check the accuracy of the project accounts.*
- \* **Question:** On completion of the project, would it be useful for the group to organize a seminar to review the experiences gained during the management of the project?
- \* **Exercise:** *Make a list of the people who could benefit from attending a post-project seminar.*

**ARE THERE POST-PROJECT ACTIVITIES TO BE PERFORMED?**

## CHAPTER 9

### POST-PROJECT ACTIVITIES

All the group's efforts will be wasted unless arrangements are made to maintain and manage the project for as long as it is required by those who benefit from its results.

Management procedures adopted will have to be tailored to meet the present and future objectives of the group members. A project can be placed into one of two categories: profit or non-profit making activities. Questions and exercises for both groupings are included in this chapter

It is not possible in a book this size, to cover in detail all the topics group members will have to consider when managing a profit making business. Rather, key issues are identified for further consideration.

Similarly, for non-profit making activities, the objective of this chapter is to assist group members to identify the important areas to be considered when planning management organization and procedures.

An indication of possible solutions is given in Chapter Nine of the Handbook.

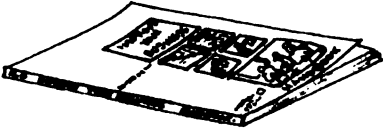
- \* Question: What problem was the group's project organized to solve?
- \* Question: What (if any) are the long term objectives of the project?

### POST-PROJECT MANAGEMENT

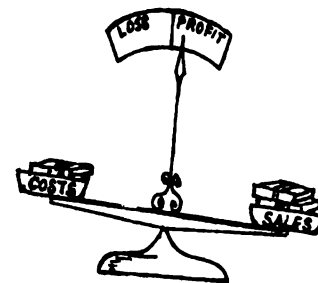
- \* Question: Are there other organizations which could manage the post-project activities for the group?
- \* *Exercise: List the advantages and disadvantages of the remaining activities being managed by:*
  - a) *the group.*
  - b) *other organizations.*
- \* *Exercise: Make a list of the relevant experience and qualifications the members of the group committee should have to manage the post-project activities.*
- \* Question: Do the members of the current group committee have the required qualifications and experience?
- \* Question: When the project phase has been completed, should the group members be given the opportunity of selecting a new committee?
- \* Question: What training will the committee require to assist it to manage the group's affairs?
- \* Question: Are there members of the community or external organizations who could provide the training?

- \* Question: What (if any) project "punch list" items remain to be completed?
- \* Question: Have funds been allocated to complete the work?
- \* Question: Who has been made responsible for organizing the work?

## **MANAGEMENT OF PROFIT MAKING ENTERPRISES**

- \* Question: Will the group be required to manage all the activities, or will some be managed by individuals or family groups?
  - \* Question: Has agreement been reached on the allocation of management responsibilities?
  - \* Question: Where can the group get more information and advice on running a business?
- 
- \* Question: What are the objectives of the group's business?
  - \* *Exercise: Devise a mission statement for the group's business.*
  - \* Question: Is it necessary for every business to have an operating plan?
  - \* Question: What is the product or (service) the group is going to sell?
  - \* Question: How much is planned to be sold?
  - \* Question: What factors should be taken into account when determining the price of a product?
  - \* Question: Where will the group sell its product?
  - \* Question: Will sales be made throughout the year or only at specific times?
  - \* Question: Who (if any) are the group's main business competitors?
  - \* Question: What do they charge for their products?
  - \* Question: Do they advertise their products or services?
  - \* Question: Why do customers buy from them rather than any other business?
  - \* Question: What price will the group charge for each product (or service)?
  - \* *Exercise: Make an estimate, for the next twelve months of operations, of the total sales per month.*
  - \* Question: What will be the total value of sales for the year?
  - \* Question: How will the group obtain the product or (provide the service)?
  - \* Question: What resources (labour, equipment, materials, energy, transportation) will be required ?

- \* Question: Will the group have to employ staff?
- \* Question: How much will they be paid?
- \* Question: What equipment will be required?
- \* Question: What will be the operating cost of the equipment?
- \* Question: Who will operate the equipment?
- \* Question: Who will maintain the equipment?
- \* Question: What materials will have to be purchased?
- \* Question: Who can supply the materials?
- \* Question: How much will the materials cost?
- \* Question: Will the group have to pay electricity bills, purchase gasoline or other fuel?
- \* Question: Will the group have to hire transportation to collect material, or to deliver its goods?
- \* *Exercise: Estimate the operating cost for the business for one year.*
- \* Question: What is the estimated total operating costs for next year?
- \* Question: Will the group's business make an estimated profit or loss next year?
- \* Question: Will enough profit be made to set some money aside to cover the future costs of purchasing replacement equipment?
- \* Question: What steps could be taken to increase the profits?
- \* Question: Can savings be made in the costs?
- \* Question: Can increased sales be achieved?
- \* Question: Can more products be sold?
- \* Question: Can higher prices be obtained?
- \* Questions: What factors control the prices that can be obtained?
- \* Question: What can the group do to get more customers?
- \* Question: Have rules been agreed on how profits should be shared or used?
- \* Question: Does the group have a constitution?
- \* Question: Are the rules for profit distribution stated in the constitution?





## MANAGEMENT OF NON-PROFIT MAKING GROUP ACTIVITIES

- \* Question: Is there another more suitable organization to manage the activities?
- \* Question: Are the group members willing to hand over the responsibility to another organization?
- \* Question: Is the other organization willing to accept the responsibility?
- \* Question: What do the group members consider to be the ongoing operating objectives?
- \* Question: What steps will the group have to take to safeguard the future of the project?
- \* *Exercise: Make a list of all the activities required to ensure sustainability. Identify those activities that will require funding.*
- \* Question: What resources (labour, materials, transportation, etc) will have to be provided to achieve the operating objectives?
- \* Question: Will the labour requirement be provided by voluntary or paid activity?
- \* Question: Who will be responsible for organizing the activities?
- \* Question: Will materials have to be purchased?
- \* *Exercise: Make an estimate of one year's operating costs.*
- \* Question: How will the group fund the operating costs?
- \* Question: Can financial assistance be provided by a grant from an aid agency?
- \* Question: Will the group be able to obtain all or part of the funds by self help?
- \* Question: What activities or methods can the group use to obtain the necessary funds?
- \* Question: Why is it important to keep records?
- \* Question: Who will be responsible for keeping the group's financial records?
- \* *Exercise: List the advantages and disadvantages of keeping a business and group activities diary.*
- \* Question: Does the group own any equipment or buildings?
- \* Question: Who is responsible for their safekeeping?
- \* Question: Who is responsible for their maintenance?
- \* Question: Is the use of group equipment restricted to only a few members or can any one use them?
- \* *Exercise: List the advantages and disadvantages of having restricted and unrestricted use of equipment.*



- \* Question: Have those members responsible for the maintenance and operation of equipment received any training?
- \* Question: Does the group have maintenance and operating manuals for their equipment? Who is responsible for keeping them?
- \* Exercise: *Estimate the expected operating life of each of the items of group equipment. At the end of their useful life will replacements have to be bought?*
- \* Exercise: *If an item of equipment costs \$100,000 and it has an estimated useful life of 10 years, how much money should be set aside each year to cover the replacement cost?*
- \* Question: How often should the group's buildings be inspected?
- \* Question: How often should the group's buildings be painted?
- \* Question: Who is responsible for inspection and maintenance of buildings?
- \* Question: Should a group remain in existence, even if only the committee takes any interest in its activities?
- \* Question: What factors should be taken into account when considering whether a group should continue or cease to function?
- \* Question: Has the group achieved all its objectives?
- \* Question: If objectives are still to be achieved, what action can the committee take to maintain the active support of the members?
- \* Question: Should a group disband when all it can accomplish has been achieved?



**CONGRATULATIONS  
ON ACCOMPLISHING THE GROUP'S OBJECTIVES!**



