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**TANZANIA:  
DEVELOPMENT OF INDUSTRIAL  
CO-OPERATIVES PHASE II**

**PROJECT NUMBER US/URT/81/200**

**IN-COUNTRY TRAINING COURSE  
ON MANAGEMENT OF INDUSTRIAL  
CO-OPERATIVES  
CONTRACT No. 86/93 AWARD**

**FINAL REPORT**

**ANKETT FOUNDATION**

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**FINAL REPORT**

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**April 1987**

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## 1. INTRODUCTION

This report concerns a four week training course for Managers of Industrial Co-operatives in Tanzania. (See Appendix I for Terms of Reference).

The course was run from 19 January to 13 February 1987 in Dar es Salaam.

It was organised by SIDO (Small Industries Development Organisation) in Dar es Salaam, supported by UNIDO in Vienna and run by trainers from the Plunkett Foundation for Co-operative Studies in Oxford, U.K.

There are approximately 250 Industrial Co-operatives in Tanzania and up to the present time there has been little practical recognition of their particular needs vis-a-vis Agricultural Co-operatives. This training course, therefore, was the first of its kind in the country.

The course followed broadly the programme as set out in Appendix II with a few minor changes where necessary to accommodate particular needs. Most of the subjects were completed to satisfaction. By the end of the course we had fulfilled the main objectives of the course programme, with both the course participants and SIDO being satisfied with the results.

## 2. COURSE PARTICIPANTS AND THEIR CO-OPERATIVES

SIDO had anticipated between twenty and thirty participants attending the course, but in fact fifteen originally were put forward, out of which two did not turn up. The thirteen participants who began the course attended regularly throughout. As the course progressed and more people became aware of it the numbers increased to eighteen by the end. This indicated the need, in planning future courses, for more resources to be made available for recruitment of participants. (See Appendix III for list of course participants).

However, the eighteen participants who completed the course were enthusiastic and well motivated. There were eight women and ten men; this equal mix increased the natural dynamic and injected into the course a range of different perspectives and objectives in tackling certain issues which created a good learning environment. SIDO should be commended on making sure a balance of women and men attended the course.

The co-operatives that were represented on the course varied enormously in size (from five members up to 80 members), stage of development, and sector. (see Table 1) Half the co-operatives represented were from Dar es Salaam with the remaining half from different districts of Tanzania. The geographical spread of co-operatives was representative of the country as a whole.

TABLE 1

The Position of Co-operatives Represented on the Course

No. of Participants	Sector of Industry	Size	Position of Co-operative
4	Flour Milling	Small	Setting up
2	Tailoring	Small	Well established
2	Steel fabrication	Medium	Well established
2	Furniture makers	Medium	Well established
2	Printing	Medium	Well established
2	Retail trade	Small	First year trading
1	Chicken production	Small	First year trading

3. THE TRAINING COURSEa) The Course Programme

The training course programme was designed with the intention of providing the participants with a general, but practical, course on management for industrial co-operatives. See Appendix I for full details of programme.

Apart from the emphasis on practical exercises the programme concentrated on four main areas. These were finance, management planning, marketing, and administration and production.

Finance

Although the participants varied considerably in their knowledge of finance, some having no previous knowledge and others well versed in the subject. The view was taken that the course should assume no previous knowledge, and all participants were encouraged to start from this base. This part of the syllabus was conducted as a common programme aimed at providing a basic knowledge of all topics. The content ran from definitions and terms, to cash flow and budgetary control.

Management - Planning

Management Planning was an area of great concern especially because of the problems associated with external factors such as the supply of raw material, spare parts, new machines and finance planning.

## Marketing

The marketing concentrated on the relationship between the co-operative and the customer, emphasising the need for the former to research into the needs of the latter and design the product and selling strategy accordingly. It was found that marketing was a topic which the participants had virtually no previous understanding of.

## Administration and Production

A range of techniques for better control were covered such as internal information exchange, filling, stock control and quality control with the object of introducing a practical system that each participant could implement on their return to their co-operative.

### b) Action Learning

Another major element of the programme was an Action Learning section on writing a feasibility study for a co-operative and conducting field study surveys of four other co-operatives.

At the beginning of the course two days were spent by participants writing a description of their co-operative and analysing major problems and strengths. This was a useful exercise in developing an overall consciousness of their role as managers and as a reference point from which the course should proceed. It also provided the trainers with an understanding of participants' level of management expertise.

Half way through the course participants split into four groups and each group visited one co-operative in Dar es Salaam. Their task was to investigate the conditions, write up their findings, analyse the situation and make recommendations for improvements.

Finally in the last week of the course the participants had to draw up a feasibility study for their respective co-operatives. This had the advantage of bringing together, in a comprehensive form, the different aspects covered in the course and an opportunity to analyse the state of each co-operative in the light of what had been learnt. The feasibility study also included development of a plan of action for implementation on returning to work.

### c) Course Assessment

An assessment of how well the course was meeting the needs of the participants was conducted twice; once halfway through the course and once at the end. The mid-course assessment was primarily for the trainers to get feedback on their contribution. Two issues were

raised: one about the marketing not being practical enough and the second, raised by one participant, was about the basic level of finance in the course. The trainers took note and addressed both issues in the following week. The final assessment sheets were generally positive and appreciative of the course. Several of the participants mentioned that they would have liked a longer course. However the real test will come when participants begin to implement what they have learnt on the course.

d) The Venue

Initially some problems were faced in getting a suitable venue in Dar es Salaam, but during the week prior to the start of the course, accommodation was found, with assistance from Mr. Kuringe of SIDO. However, it is the opinion not only of the trainers but also that of the participants that it would have been preferable to have had the course at a residential venue. This would have provided more time for the training with evening sessions, space and time for participants to do more home work and an opportunity to concentrate more fully on the course.

e) Attendance Certificate

At the end of the course each participant who completed the course was issued with an Attendance Certificate. This was felt both justifiable on the ground of the participants' attendance and appropriate on the grounds that participants had learnt something that future employers (Co-operative Committees) might wish to see when judging their suitability for employment.

4. CONCLUSION AND RECOMMENDATIONS FOR FOLLOW-UP ACTION

In conclusion it is the opinion of the course leader and the other trainers that the course achieved its main objectives. It is also the opinion of the participants that the course met their needs and they were generally satisfied with the outcome.

It is recommended that following action should take the form of an evaluation of the impact of the training course. This should take place after a period of about six months since the completion of the course, i.e. in August 1987, and should be conducted by way of structured interviews with the course participants in the setting of their co-operatives. It is recommended that this evaluation should be undertaken by Mr Kikuchi, Senior Industrial Development Field Adviser, UNIDO Office, Dar es Salaam.



Follow-up action will also be provided by the Plunkett Foundation in the form of a Nuffield Foundation Fellowship for one of the participants on the course. Four of the course participants were interviewed in connection with this Fellowship Scheme, and their details were submitted to the Nuffield Foundation (see Appendix IV). It was decided by the Nuffield Foundation to make an award to Mr. M.J. Mshana, General Manager of the Kivuki Industrial Co-operative Society Ltd., a co-operative which manufactures metal window frames and other domestic appliances. Mr. Mshana will follow a study programme consisting of a combination of short visits, two to three working attachments to appropriate co-operatives and other organisations and attend at a selected training course where possible. The programme also allows time for reading in the Plunkett Foundation and other relevant libraries.

A larger programme of training for improving management of industrial co-operatives within Tanzania could also be initiated. A programme of this sort could include some or all of the following elements; further preparation of specialised training materials, a series of linked courses and workshops which would tackle in particular, the topic of marketing provision of consultants on specific aspects of industrial co-operative management; and arrangement of study programmes in the U.K. It is suggested that a person could be recruited by SIDO as a Marketing Adviser for Industrial Co-operative in Tanzania, and that this person undertakes a study programme in the U.K. on the topic of Marketing by Workers' Industrial Co-operatives.

A study programme of this type could also incorporate a training course in the U.K. on training techniques so as to assist in the transfer of knowledge from the Marketing Adviser to industrial co-operatives in Tanzania.

A Marketing Course could be structured as follows:

#### MARKETING FOR INDUSTRIAL CO-OPERATIVES

Duration: 3 weeks residential

#### COURSE OUTLINE

Designed for: Managers of Industrial Co-operatives.  
Field staff concerned with the development of such co-operatives.

Objectives: To develop an understanding of the concepts and practices of marketing as a function and to increase the skills of managers in improving the effectiveness of marketing functions in their co-operatives.

Method and Content: Introductory lectures, practical exercises, case studies and appropriate local study visits.  
Local expertise will be called upon to deal with aspects of marketing in Tanzania.

### Marketing of Industrial Products

Review of factors affecting marketing of industrial products, forecasting supply and demand. Price determination, collection, transportation, storage. Payment methods, input costs recovery, agency, vertical and horizontal integration, preparation, and packaging.

### Management Theory and Practice

Theory of management, functional areas of management - marketing. Financial control, personnel and their integration. Practical exercises and case studies, visits to enterprises supplemented by guest lecturers on specialised aspects.

### Basic Economic Theory with Applications

Introduction to simple economics, cost of production, demand and supply. Marketing functions and costs, marketing efficiency, transport and storage. Buying/Selling, price determination. Margins and mark-up. risk factors. Opportunity costs.

### Basic Accounting and Financial Control

Review of accounting methods and practices and preparation of final accounts and balance sheets, balance sheet analysis. Valuation of fixed and current assets, capital employed, depreciation, fund flow statements, business returns and measurements of efficiency.

A study programme for a SIDO Officer who would be responsible for marketing development amongst industrial co-operatives in Tanzania could be structured as follows:

#### DRAFT PROGRAMME OF UK STUDY TOUR FOR MARKETING ADVISER

- WEEK 1      Briefing at Plunkett Foundation including planning for action.  
                 Guided reading in Plunkett Co-operative Library.  
                 Accompanied visits to local worker co-operatives.  
                 Discussions with co-operative development workers.
- WEEK 2      Attachment to a co-operative development to study product selection and marketing feasibility, demand and supply.
- WEEK 3      Attachment to a worker co-operative to examine quality control, customer relations, salesmanship and promotion.
- WEEK 4      Short course on marketing.

WEEK 5 Attachment to a worker co-operative to study basic economics, and financial planning and control.

WEEK 6 Short course on training methods/management and supervision.

WEEK 7 Visits to various organisations and co-operative training institutions to study press and media relations, advertising, methods of market research.

WEEK 8 Consolidation of programme; preparation of report; draw up action plan.

Debriefing.

## APPENDIX I

### TERMS OF REFERENCE

The contractor will be responsible for the preparation, organisation and conducting a management training course as detailed below:

#### Training Course on Management for Industrial Co-operatives

- Duration:** 4 weeks.
- Venue:** Moshi Co-operative College, Tanzania.
- Designed for:** Secretary/Managers, Committee Members of Industrial Co-operatives in Tanzania.
- Objectives:** To develop the knowledge and basic skills of the participants to allow them to make a more effective contribution in the management and development of industrial co-operatives in Tanzania.
- Method:** Brief lectures followed by practical exercises and group work. Emphasis to be placed on the use of participatory methods of learning. Local lecturers to be called upon for complementary lessons. Visits to industrial co-operatives in Tanzania for purpose of case-study work.

#### Outline of Course Content:

##### Industrial Products and Markets

Products, factors in the design and development of new products, raw materials, quality control, appropriate premises and equipment, market research, review of possible markets, alternative methods of selling, sales and promotion. Price lists and samples, market testing, product presentation, insurance, packaging, transportation, payment procedures.

##### The Self-Managed Enterprise

Sharing out decisions and responsibilities. Individual and group behaviour. The role of the individual worker, manager, elected committee, the membership and outside organisations. Sources of funds, negotiating with outside individuals and organisations. Co-operative principles and practices, effective meetings, determining objectives and getting results.

### Basic Book-keeping, Accounting and Financial Control

Practical operation of simplified book-keeping procedures, day-to-day record keeping, maintenance of original records and documents, trial balance, the cash book, bank reconciliation statements, simple final accounts. Review of accounting methods and practices and preparation of final accounts and balance sheet analysis. Valuation of fixed and current assets, capital employed, depreciation, fund flow statements, business returns and measurements of efficiency.

### Costing and Control

Elements of cost (materials, labour, overheads). Product pricing, direct and indirect costs, packaging transport, other costs. Allocation of overheads, marginal costing, break-even point, budgeting for revenue and capital expenditure, use of management information for decision-making.

Number of Participants: Appro.: 30 persons.

## APPENDIX II

### COURSE PROGRAMME

The training course content was followed more or less as stated in the original programme. However, the following is the detail of the actual content as it happened.

In the first two weeks there were two trainers and in the final two weeks there were three trainers. In the first two weeks the trainers divided the day either on a 2 hour/4 hour split or 3 hour/3 hour split. In the two final weeks the day was split into three 2 hour sessions. However on four days during the course the whole day was used as one session.

#### WEEK ONE

- Day 1    General introduction  
          Mutual introduction  
          Needs questionnaire
- Day 2    Drawing up co-operative profiles  
          Each participant was asked to draw up a description of  
          their co-operative.
- Day 3    Introduction to business finance  
          Techniques in business planning
- Day 4    Basic accounting  
          Introduction to marketing
- Day 5    Accounting  
          Marketing techniques  
          Visit by UNIDO representative

#### WEEK TWO

- Day 6    Accounting  
          Marketing techniques
- Day 7    Accounting  
          Marketing techniques
- Day 8    Accounting  
          Co-operative organisation
- Day 9    Preparing to survey other co-operatives in Dar es Salaam  
          Drawing up a survey questionnaire  
          Techniques in survey comparison
- Day 10    Class divided into four groups, each group visited and  
          surveyed one co-operative

Continued. ...

## APPENDIX II

### WEEK THREE

- Day 11 Write up survey report, participants evaluated each co-operative. The whole class made comparisons between each of the four co-operatives and their own co-operative. (This was very informative and a useful exercise)
- Day 12 Accounting  
Stock control techniques  
Management techniques
- Day 13 Accounting  
Stock control techniques  
Management techniques
- Day 14 Accounting  
Visit by a representative from the Co-operative Bank  
Decision making techniques
- Day 15 Accounting  
Managing suppliers  
Administration techniques

### WEEK FOUR

- Day 16 Accounting  
Techniques in designing production flows  
Introduction to drawing up a business plan  
(It was decided to concentrate the last week on drawing up a business plan so participants could bring together techniques from the course to help them in developing their co-operative)
- Day 17 Accounting  
Visit by representative from the Co-operative Union  
Drawing up a business plan
- Day 18 Accounting  
Quality control techniques  
Drawing up a business plan
- Day 19 Accounting  
Quality control techniques  
Drawing up a business plan
- Day 20 Finalising the business plan  
Presenting the business plan  
Drawing up an action plan to implement the business plan  
Formal closing of the course by SIDO and UNIDO representatives

APPENDIX III

COURSE PARTICIPANTS

1)	Miss Loyce C. Bwiere	Dar-es-Salaam - Msikate Tamaa Tailors Co-op Soc. Ltd. (General retail store)
2)	Mr. Meena M. Gs.	Dar-es-Salaam - Printing Co-op
3)	Mr. Oswald H. Kivike	Morogoro - Morogoro Tailors Co-op Soc. ltd.
4)	Mr. Modest G. Duwe	Dar-es-Salaam - Tailoring Co-op
5)	Mrs. Karu Amani	Dar-es-Salaam - Printing Co-op
6)	Mr. Mohammed Juma Mshana	Kilimanjaro - Kiv uki Industrial Co-op Soc.)Ltd. (Steel Fabrication)
7)	Miss Godliver Rweyemamu	Dar-es-Salaam - Flour Milling Co-op.
8)	Mrs. Lucy Mandara	Dar-es-Salaam - Flour Milling Co-op.
9)	Mrs. Bertha Macha	Dar-es-Salaam - Flour Milling Co-op.
10)	Mrs. Gemma Aliti	Dar-es-Salaam - Flour Milling Co-op.
11)	Mrs. Enny P. Mwakatobe	Mueya - Chicken Farming Co-op.
12)	Mr. Ismail A. Mkoni	Dar-es-Salaam - Steel Fabrication Co-op.
13)	Mr. William G Andrea	Morogoro - Furniture Making Co-op.
14)	Mr. Davis Ngao	Dar-es-Salaam - Manzese Co-op Soc. Ltd. (Chemist)
15)	Mr. Kanunu Mussa	Dar-es-Salaam - Furniture Making Co-op.



## APPENDIX IV

### NUFFIELD FOUNDATION FELLOWSHIP CANDIDATE

The Nuffield Foundation Fellowship Scheme was begun in 1982 and was planned particularly for people whose opportunities for study abroad are limited. Its purpose is to benefit those who have already gained considerable experience in their chosen careers, but have not reached such seniority that they would be enabled to travel abroad. Fellows are selected, not only to derive benefit for themselves, but also to be able to use their new knowledge with their organisation and for their country. From 20 to 30 Fellows come to this country on the Scheme - journalists, educationalists, co-operators and others - and they are hosted by different organisations. The Plunkett Foundation is one of these and administers a two-three month programme of study visits and attachments for candidates working in the field of co-operation in Commonwealth countries. The candidates are selected by a person appointed by the Plunkett Foundation and interviewed in their own country; their names are then submitted to the Trustees of the Nuffield Foundation who make the final appointment.

#### Report by interviewer

Freer Spreckley, Consultant, Plunkett Foundation

In February 1987 four candidates were interviewed in Dar es Salaam. The candidates were all participants on a four week Industrial Co-operative Management Training Course which was organised by SIDO from Dar es Salaam and run by the Plunkett Foundation from the U.K.

The candidates are managers of small scale industrial co-operatives and have all expressed an interest in furthering their experience of training in management skills. All four candidates would be able to take up a fellowship this year.

#### Mohamed Juma Mshana

General Manager, Kivuki Industrial Co-operative Society Ltd.

This co-operative manufactures metal window frames and other domestic appliances.

Mr Mshana was one of the founder members of Kivuki Co-operative and has risen to the position of General Manager with overall responsibility for the enterprise. As can be seen from his application form he has a background in light engineering.

This background enables him to both manage the co-operative and develop new product lines. He is looking into the manufacturing of locks. As all locks are imported into Tanzania he needs to travel overseas to acquire both training and knowledge about design and development.

I am convinced that he will use the Nuffield Fellowship wisely, and that the experience gained will enable him to benefit the co-operative's position.

### Godliver Rweyamamu

Godliver Rweyamamu is one of five women who are in the process of setting up a flour mill co-operative in Dar es Salaam. Although her background is in manufacturing she showed considerable aptitude in accounting skills.

Her position in the new co-operative would be greatly enhanced if she were able to gain more experience of accounting practices and a greater degree of confidence in using her skills.

Though she has a quiet nature she participated fully in the course and mastered the finance section with ease.

If a fellowship was available she would benefit from the experience.

### Davis Ngao

Davis Ngao is the manager of a small chemist which is a consumer co-operative in Dar es Salaam.

He is very bright and able to learn easily but he lacks experience in the retail trade.

He would like to expand the chemist shop and develop a wider range of product lines. What he needs is to experience working in larger and well organised retail outlets.

A fellowship, if offered, would provide him with an opportunity to learn about the retail trade and gain the confidence to develop the chemist co-operative.

### Loyce C. Bwiere

Loyce C. Bwiere is the manager of a general store in Dar es Salaam. The store is a multipurpose co-operative, including tailoring, weaving and general retail.

Although Loyce Bwiere is very enthusiastic she needs guidance in how to develop the store into a viable business.

Having experience of well managed retail outlets in the UK would provide her with sufficient ability in planning and implementing an expansion programme in her co-operative.