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ORGANIZATION FOR PROMOTION OF THE SMALL AND MEDIUM-SCALE  
ENTERPRISE SECTOR IN SIERRA LEONE

DP/SIL/87/003

SIERRA LEONE

Technical report No.3: entrepreneurship development  
programme designed for the national development and  
financing organization \*

Prepared for the Government of Sierra Leone and the National  
Industrial Development and Finance Organization Limited (NIDFO)  
by the United Nations Industrial Development Organization,  
acting as executing agency for the United Nations Development Programme

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\* This document has not been edited.

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## A B S T R A C T

The proposed Entrepreneurship Development Programme (EDP) for the National Industrial Development and Finance Organization Limited (NIDFO) covers all the elements and activities in the development services of the organization, namely: 1) identification of entrepreneurs, 2) selection of entrepreneurs with potentials for success, 3) training and development, 4) extension service, and 5) research and information.

The design of the Programme was undertaken from 4 March until 26 April 1991 with individual elements being worked out and tested as well as implemented with modifications as found necessary.

This EDP gives continuing referral throughout to other technical reports of the EDP Expert covering the individual elements of the Programme.

The modified Entrepreneurship Motivation Training (EMT) has been tested and executed as the 1st EMT of NIDFO with the 2nd EMT scheduled for early May. The Basic Business Management Course (BBMC) is being tested/conducted by the Opportunities Industrialization Center of Sierra Leone at the time of the writing of this report.

The identification, selection and screening process of entrepreneurs for NIDFO development will be applied to the batch of entrepreneur-candidates for the 2nd EMT.

Other proposals, specifically those pertaining to organization and staffing, are expected to be the subject of deliberations before the departure of the EDP Expert by mid-May.

## INTRODUCTION

The assessment of the Entrepreneurship Development Programme (EDP) of the National Industrial Development and Finance Organization (NIDFO) revealed certain weaknesses and misdirections that have to be overcome (EDP Expert Report No.2: Assessment of NIDFO Entrepreneurship Development Programme).

This report embodies the proposed EDP for NIDFO consideration and implementation. It is pointed, however, that much of the elements incorporated herein have been gradually accepted by NIDFO management and implemented by the Development Services Section with effective results.

When the proposals herein are totally accepted by NIDFO for implementation, this document may be converted into a manual to serve as the guide for all concerned in operationalizing the different activities included.

This report was written by the Entrepreneurship Development Expert to consolidate and document the major part of the activities undertaken while posted in Project: DP/SIL/87/003, as a result of the reorientation of the concept and perception of entrepreneurship development from merely the 5-day programme to all the necessary activities before and after said programme. The design and manualization of the EDP concept and activities were deemed necessary for a total perspective of entrepreneurship development.

The design of the EDP was started in 4 March and was completed by 26 April. This time span was incurred as elements of the EDP were bein designed, tested and implemented within the period.

There is continuing referal through this report to other technical reports of the EDP Expert in Project: DP/SIL/87/003 as supportive documents detailing the activities involved accordingly.

## I. BACKGROUND

The basic elements of an entrepreneurship development programme which exist in NIDFO were used as the ingredients in the restructuring and strengthening of the EDP, taking into consideration the following areas (EDP Expert Report No.2: Assessment of the Entrepreneurship Development Programme):

1. Expanding the concept of EDP from the three (3) training programmes to include entrepreneurship identification and selection, training and development, provision of extension service and information;
2. Establishing a clear distinction among entrepreneurship motivation, entrepreneurial skills development and management/technical skills training;
3. Strengthening the identification and selection system of entrepreneurs;
4. Restructuring and strengthening of the training programmes;
5. Provision of research and information mechanism to feed into the project's information system;
6. Strengthening organization structure for EDP to allow for efficiency and continuity;
7. Shortening the entrepreneurship development process where possible to increase organizational capacity and hence, time efficiency;
8. Manualization of all policies and procedures for staff direction, guidance and control;
9. Cost-benefit analysis of the EDP to allow for long term-continuity.



#### A. Assumptions

The entrepreneurship development programme (EDP) is designed taking certain assumptions into consideration. These assumptions were established by consensus among the Development Services staff through an opinion survey.

The assumptions are:

1. Not everyone can be an entrepreneur. Certain traits must be existing in an individual in order to be successful in an enterprise undertaking;
2. It is possible to identify the traits required for successful entrepreneurship. Such traits can be measured by specially designed tests and by the use of certain social indices;
3. Individuals possessing such traits and social indices measured through a certain scale will prove more successful than those without them or with much lower ratings;
4. Individuals who possess such traits or indicate the presence of such traits can be trained to further develop these traits and other dimensions of entrepreneurship.

#### B. Definitions

As an output of a workshop, the officers and staff of the Development Services Section, NIDFO, have adopted the following definitions for use in the entrepreneurship development programme (the EDP Expert Report No.9: Training of NIDFO Professional Staff and UN Volunteers in Entrepreneurship Development):

ENTREPRENEURSHIP is a purposeful activity involving innovation, organization and combination of resources and calculated risk-taking towards the achievement of a profit-oriented business undertaking.

The ENTREPRENEUR is one who undertakes a purposeful activity through innovation, organization and combination of resources and calculated risk-taking to achieve a profit-oriented business enterprise.

### C. Policy Targets

The basic targets of NIDFO as established by management policy and practices are those entrepreneurs that fall within the following criteria:

1. Must be a national of Sierra Leone;
2. Operating within the Western Area;
3. Engaged in the ownership and management of a manufacturing or service related enterprise within the following industry groups:
  1. Food processing,
  2. Wood working,
  3. Textile including gara dyeing, tailoring,
  4. Mechanical works including garages,
  5. Electrical/electronics works,
  6. Leather works, and
  7. Metal works;
4. Employs not more than 15 workers;
5. Must not be more than 55 years old.

Further to the above criteria, NIDFO follows the following industry size classification as indicated in the Data Base of Industries and Crafts of the CTA.

	<u>Employment</u>
Artisanal Industry	1 to 5
Small-scale Industry	6 to 19
Medium-scale Industry	20 to 49
Large-scale Industry	50 and above

D. Operating Targets

The target entrepreneurs for development will be those with high potentials for success.

Based on NIDFO established targets for the number of entrepreneurs to be financed for 1991 and 1992 the operating targets for entrepreneurship development are shown in Table 1.

Table 1 - Operating Targets for EDP

EDP Activity	Recover Rate %	No. of Entrepreneurs	
		<u>1991</u>	<u>1992</u>
1. Identification	66	797	1,266
2. Short-listing	85	526	835
3. Screening	68	447	710
4. Motivation (EIP)	71	304 (20 programmes)	483 (32 programmes)
5. BBMC Training	70	216 (14 programmes)	343 (23 programmes)
6. Business Planning	45	151	240
7. Financing		68	108

(See EDP Expert Report No.2: Assessment of NIDFO Entrepreneurship Development Programme.)

Under the attrition rates through the process as experienced in 1990 (EDP Expert Report No.2) the operating targets cannot be achieved. In order to meet NIDFO targets, there is a need to modify NIDFO strategies and directions, to include the follows:

1. Expansion of industry coverage beyond the seven groups;
2. Increase the employment criteria to 30 employees or more;
3. Consider entrepreneurship development of individuals not yet in business but are intending to;
4. Expansion of assistance coverage outside the Western Area.

These are policy matters for NIDFO management decision.

Regardless, the target entrepreneurs are either males or females, with a policy proportion requirement of at least 10% females. They are between the ages of 25 to 55 with varying levels of educational attainment or none at all. Most of them will have at least five years experience in their respective industry group, either as apprentice, as a regular worker or as owner/manager. They have varying degrees of literacy, with many that are likely illiterate.

(See EDP Expert Report No.1: Status of Local Entrepreneurship in the Small-Scale Industry Sector.)

## II. OBJECTIVES

### A. General Objectives

As stated in the project document the entrepreneurship development component of NIDFO aims to provide each client entrepreneur with a tailor-made package of entrepreneurship motivation, entrepreneurial skills development and management/technical training and extension service to complement financial assistance with a view of meeting overall economic strategies, such as:

1. Satisfaction of basic Needs;
2. Utilization of locally available resources;
3. Employment generation;
4. Economy in capital and energy;
5. Skill orientation;
6. Positive effects on balance of trade; and
7. Linkage with other sectors.

### B. Specific Objectives

In order to attain the general objectives the following specific objectives have likewise been identified in the project document:

1. To identify and select artisanal and small-scale industry entrepreneurs who demonstrate dynamic entrepreneurship qualities for subsequent training;
2. To provide entrepreneurship motivation training, entrepreneurial skills development, management and technical training for selected entrepreneurs at an annual average rate of 70 participants for the entrepreneurship training, 60 for the management course and another 60 for the technical courses;
3. To recommend trained entrepreneurs for project financing;

4. To provide intensive support by extension services to those financed entrepreneurs and others that may be qualified;
5. To undertake collection of practical, industrial and economic data, analysis and evaluation thereof, which would be useful for artisanal and small-scale industry entrepreneurs and for the management and operation of NIDFO;
6. To identify investment opportunities and prepare project profiles accordingly.

### III. CONCEPTUAL FRAMEWORK

The conceptual framework of the entrepreneurship development process is shown in Figure 1 - EDP Process.

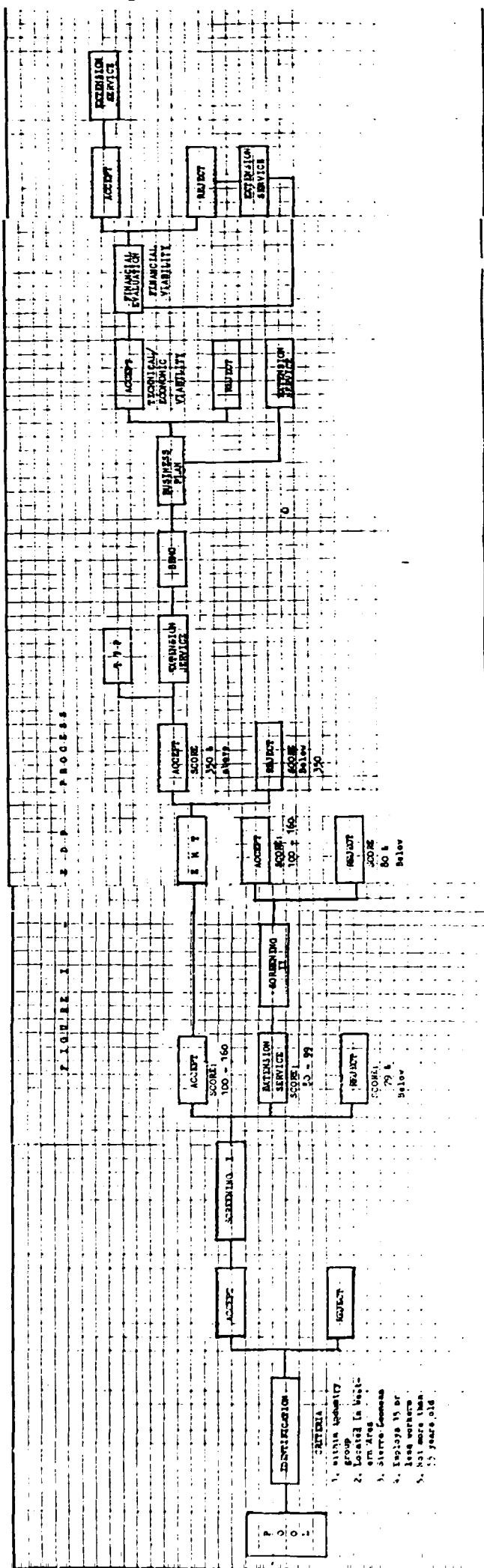
From the pool of entrepreneurs the EDP Specialist(s) and extension workers identify the small-scale entrepreneurs basically qualified for NIDFO assistance.

Identified entrepreneurs are given the entrepreneurship screening test to select those with potentials for development in terms of inherent entrepreneurial characteristics.

Selected entrepreneurs are invited to attend the Entrepreneurship Motivation Training (EMT) when their entrepreneurship characteristics and entrepreneurial skills are strengthened and developed. The series of assessments through out the programme will reflect how such characteristics and traits are improved. By the end of the EMT a total appraisal of entrepreneurship is available which qualifies the entrepreneurs for further training, either by the Basic Business Management Course (BBMC) or the Technical Training Programme (TTP). Participation in the latter is established by extension service reports. Where technical capabilities have been improved, the entrepreneur is channeled to the BBMC.

The BBMC incorporates a mechanism that allows the entrepreneur-participants to prepare their business plans preparatory to financial assistance, while strengthening their basic business management skills.

The business plan is reviewed by the Development Services staff for marketing, technical and economic viability. Business plans that are found viable on these aspects are passed on to Financial Services for financial evaluation. Those found financially viable based on criteria established by Financial Services are granted financial assistance accordingly.



P.O. PROCESS

SCREENING I

SCREENING II

ENY

REVISION SERVICE

- CRITERIA
1. within capacity
  2. located in basic free zone
  3. stable business
  4. employ 15 or less workers
  5. not more than 25 years old

SCORE: 150 & Above

SCORE: 100 - 160

SCORE: 100 - 160

SCORE: 79 & Below

SCORE: 150 & Above

SCORE: Below 150

SCORE: 80 & Below

SCORE: 79 & Below



Rejection at the identification stage may be recycled for consideration when policy criteria for assistance are revised or expanded.

Candidate-entrepreneurs rejected at Screenings I and II and by the EMT are weeded out as they do not show entrepreneurial potentials for success. Final rejection is done, however, after the entrepreneurs have been given further chances to develop basic entrepreneurial traits through extension service.

If Screening I is efficiently administered it is expected that Screening II and the EMT will reduce the drop-out rate or inversely increase the acceptance rate through the process, thus maximizing efforts of selection, extension service and training. Similarly, the built-in business planning workshops in the BEMC will also reduce drop-out rate at this point and, therefore, increase the number of projects passed on for financial assistance.

Post-financing extension service is intended to assist financed entrepreneurs in achieving the business plan.

#### IV. ACTIVITIES AND PROCESS

Keeping in mind the assumptions stated earlier and working within established policies and operating targets, as well as identified objectives, the activities involved in the entrepreneurship development programme are as follows:

##### A. Identification of Entrepreneurs

The identification in itself is a simple process. This is undertaken to see to it that there are enough number of entrepreneurs to select from, for NIDFO assistance.

The more critical aspect is the building up of the pool of candidates.

1. Pool of Entrepreneurs

The Development Services Section must maintain a list of at least two hundred (200) candidate individuals, at any time, from where to select potential entrepreneurs for assistance.

This is a continuing activity and may be enhanced by any or some of the following actions:

- a. Newspaper advertisement once a month inviting candidates to visit NIDFO if they need assistance in:
  - improving operations to meet market demands;
  - improving product design and quality to meet competition;
  - procurement of machinery and equipment to increase production output;
  - technical skills training to improve worker skills;
  - technical assistance to establish records keeping,
  - improve shop layout, improve work processes, etc.;
  - basic management skills training;
  - financial assistance.
- b. Convening business groups, trade/industry associations, NGO's, church groups, etc. to appraise them of NIDFO assistance;
- c. Distribution of one-page fliers on NIDFO assistance and how to avail of them;
- d. Radio announcement, if feasible, on NIDFO assistance programme.

Some sources of entrepreneur names and addresses may be obtained from the following:

- a. Registration files of artisanal and small-scale enterprises maintained by the Small-Scale Industrial Department of the Ministry of Industry and State Enterprises;
- b. Survey list of the Census and Statistics Office;
- c. Listing of non-governmental organizations, such as the Sierra Leone Opportunities Industrialization Centre, PLAN International, Catholic Relief Services, etc.

2. Identification Process

The entrepreneurs in the pool established above will be visited by the extension workers, or they may call on their own at NIDFO offices. In either case, the extension worker administers the ENTREPRENEUR IDENTIFICATION FORM (Form DS - 001) as shown in ANNEX A. This form is the instrument that will establish whether the candidate entrepreneur falls within the basic NIDFO policy qualifications of:

- a. Sierra Leone national;
- b. Owns and manages a manufacturing or service enterprise within the following industry groups:
  - food processing,
  - wood working,
  - textile including gara dyeing and tailoring,
  - mechanical works including garages,
  - electrical/electronics, works,
  - leather works,
  - metal works;
- c. Employs not more than 15 workers;
- d. not more than 55 years old.

NOTE: Items b. and c. are subject to change depending on NIDFO policy decisions.

All accepted candidates will then be processed further. Rejected ones are scratched from the pool but identification forms of those that do not qualify in items b. and c. are filed for future processing if industry group and employment size criteria are revised.

B. Selection of Entrepreneurs

Identified candidates are invited in groups of 10 to 15 for Screening I, scheduled every other Friday morning.

1. Step I

The first step in the selection is filling up the ENTREPRENEUR SELECTION FORM (Form DS - 002), ANNEX B. The form covers information on the entrepreneur for data banking, research and analysis in conjunction with other enterprise information to be obtained through the entrepreneurship development process.

The EDP Specialist (s) administers the form.

The CODE NO. of this form must be the same for the ENTREPRENEUR IDENTIFICATION FORM for the same entrepreneur.

2. Step 2

The ENTREPRENEURSHIP SCREENING FORM (DS - 003) ANNEX C, is administered by the EDP Specialist to the group of 10 to 15 candidates.

The screening process will select which of the candidate-entrepreneurs exhibit potentials for success (Score: 100 to 160).

3. Step 3

Candidates that have exhibited weak entrepreneurship potentials (Score: 30 to 99) are given extension service on entrepreneurship development after which they are subjected to Screening II using the same screening instrument used in Screening I.

C. Training of Entrepreneurs

There are three(3) training programmes in the NIDFO entrepreneurship development process. Each programme complements one another to provide the selected entrepreneur with development of their entrepreneurship potentials, entrepreneurial skills, management and/or technical abilities.

1. Entrepreneurship Motivation Training (EMT)

All entrepreneurs accepted through Screening I are scheduled for the EMT. This is a five-day programme for behavioral and attitudinal development for entrepreneurship motivation.

Those with weak entrepreneurship potentials (Score: 80 - 99) who have shown improved entrepreneurship potentials (Score: ~~100~~ and above) after giving them extension service (Step 3 - Selection of Entrepreneurs) will likewise be scheduled for the EMT.

The EMT is conducted in accordance with EDP Technical Report No. 4: Entrepreneurship Motivation Training Manual. Through the programme, the entrepreneurs are subjected to continuing strengthening and assessment of their entrepreneurship potentials. By the end of the programme, their entrepreneurial motivation, spirit, inclination and readiness would have been developed.

The consolidated assessment reveals their entrepreneurial potentials for success. A consolidated total points of 350 and above qualifies the entrepreneur for undertaking the next programme.

2. Basic Business Management Course (BBMC)

The BBMC is intended to provide the entrepreneur-participants with reasonable knowledge necessary in the proper management of their businesses. It is a ten-day programme carefully designed to address the management weaknesses of small-scale industry entrepreneurs.

A specific feature incorporated into the programme is a series of workshops through the course whereby outputs progressively build up toward the preparation of a business plan for financial assistance consideration.

The conduct of the programme is specified in EDP Expert Technical Report No. 5: Basic Business Management Course Manual.

The BBMC is presently conducted through the Opportunities Industrialization Centre (OIC) as provided in the project document to use existing local institutions. Other institutions may be considered, as well as NIDFO running its own programme (See EDP Expert Report No. 7: Assessment of Capabilities and Facilities of Local Training Institutions).

3. Technical Training Programme (TTP)

Some of the accepted entrepreneurs through the EMT may exhibit weak technical capabilities. They may be scheduled for the Technical Training Programme prior to routing to the BBMC.

#### D. Extension Service

Extension service is an indispensable element in entrepreneurship development, especially in developing countries. It is the support element to bridge the gap between what is learned through training and putting the knowledge into action.

NIDFO extension workers are involved throughout the whole panorama of the entrepreneurship development process (Fig. 1).

It is presumed that a basic qualification of an extension worker is business, economics or engineering education. Aside from an inherent dedication and commitment to help others for the country's economic development, certain techniques have to be learned to be able to perform extension work effectively.

The basic steps in extension work are covered in EDP Expert Report No. 8: Guidelines for General Extension Workers at Shop Floor Level.

The efforts to promote and develop entrepreneurship and small-scale enterprises follow the following patterns:

##### 1. Stimulatory Activities

The stimulatory activities will help the emergence of entrepreneurship in the society. Included in these activities are functions like:

- a. Identification and selection of potential entrepreneurs;
- b. Entrepreneurial education and training through lectures in the EMT;
- c. Help and guidance in products development;
- d. Help and guidance in preparing business plan.

## 2. Supportive Activities

Supportive activities refer to those which enable the entrepreneurs in operating their enterprises. These activities involve assistance in obtaining and mobilizing resources and include such functions as:

- a. Registration of enterprise units;
- b. Arranging finance for working and fixed capital through guidance in preparing the business plan;
- c. Help and guidance in selecting and obtaining plant and machinery;
- d. Assisting in sourcing of scarce raw materials.

## 3. Sustaining Activities

The sustaining activities include efforts which help the entrepreneurs sustain themselves against the challenges of actual operations. Sustaining activities may include the following:

- a. Modernization;
- b. Diversification;
- c. Expansion;
- d. Determination of financing requirements for fuller capacity utilization;
- e. Diagnosis of operations;
- f. Finding new avenues for marketing;
- g. Assisting in product quality improvement.



The group of activities play complementary roles to each other. The absence or negligence of one may make the others ineffective. If entrepreneurship stimulation is over-emphasized, there may be a good supply of entrepreneurs but they will not receive the matching support needed which may result in failure and frustration. This may cause wastage of NIDFO resources in terms of man-hours and funds.

NOTE: NIDFO extension services needs reinforcement and direction to be able to cope with the small-scale enterprise client's needs.

#### E. Research and Information

In order to have a dynamic, pragmatic and effective entrepreneurship development programme a comprehensive data bank on entrepreneurship in Sierra Leone must be set up by NIDFO. Without this data bank activities will be haphazard and erratic and ultimately ineffective. This data banking system must be designed and implemented as soon as possible starting with basic entrepreneur information generated by the EDP.

In addition, continuing research must be initiated and conducted by a research group in NIDFO by itself or in cooperation with other local institutions.

Activities in this area are:

1. Preparing techno-economic information and feasible project profiles;
2. Evolving information on locally available materials and processes;
3. Organizing entrepreneurial forum;
4. Establishing base-line data and periodic updating accordingly;
5. Dissemination of relevant information to small-scale entrepreneurs and other pertinent institutions and agencies through publications.

## V. ORGANIZATION & STAFFING

### A. Present Situation

The entrepreneurship development function and activities are presently undertaken by the Development Services Section to the extent as indicated in Figure 2 - Functional Chart, Development Services (April 1991).

Clearly it is seen that aside from the inadequacy in the extension services activities the area of research and information is hardly undertaken.

To attend to the existing functions the Organization and Staffing Chart for the Development Services Section is shown in Figure 3. With an effective ratio of five (5) small-scale enterprises to attend to at any one time per extension worker, as a general experience, the staffing is inadequate even for present activities, much more if all extension services, and research and information are to be undertaken.

Hence, a gradual strengthening of the organization and staffing is undeniably indicated.

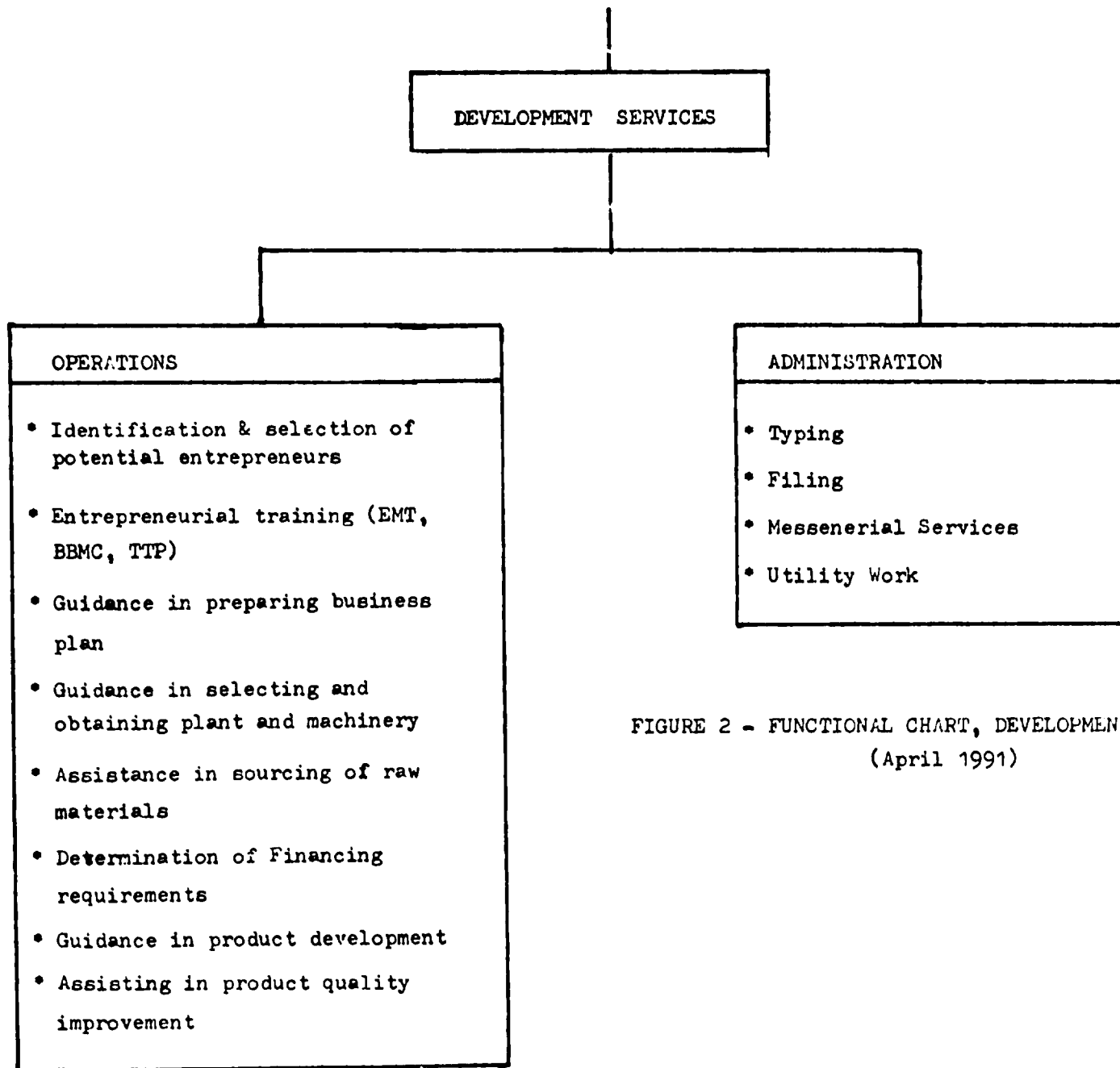


FIGURE 2 - FUNCTIONAL CHART, DEVELOPMENT SERVICES  
(April 1991)

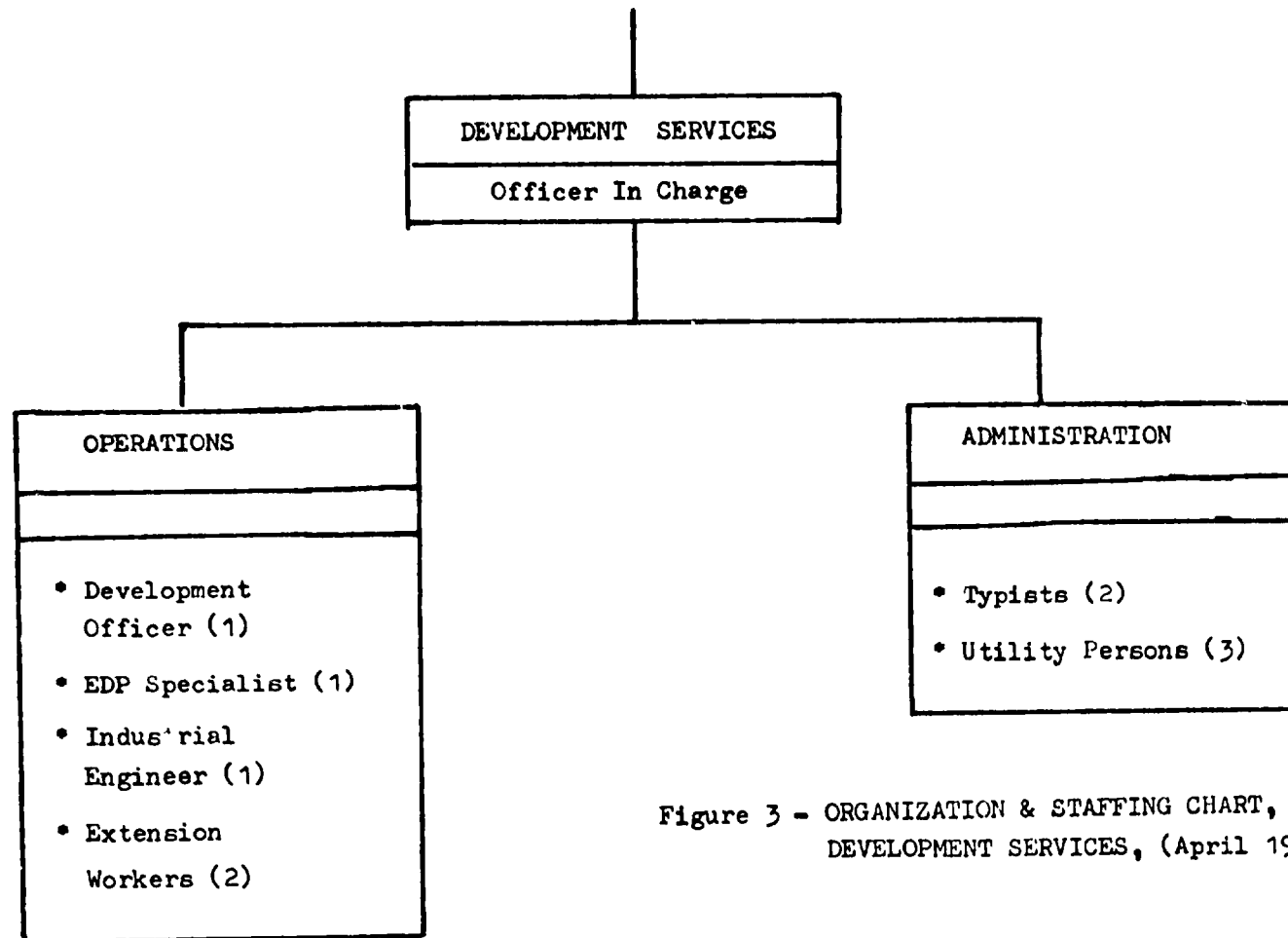


Figure 3 - ORGANIZATION & STAFFING CHART,  
DEVELOPMENT SERVICES, (April 1991)

B. Proposed Organization and Staffing

The organization development process proposed for implementation is shown in phases. A gradual development is prescribed with expansion in activities and corresponding increase in staffing provided. Undoubtedly this must be strengthened through continuing staff training and development.

1. Phase I (June to December 1991)

The first phase of the proposed organization development is characterized by:

- a. Strengthening of administrative support activities;
- b. Installation of research and information functions;
- c. Strengthening of training and extension services.

(See Figure 4 - Functional Chart, Development Services, Phase I, June - Dec. 1991)

The expansion of activities and strengthening of capabilities may be achieved through a corresponding organization change as shown in Figure 5 - Organization Chart, Development Services, Phase I

NOTE: The organization structure change and operational effectiveness can be achieved if guidelines and procedures are in place. Likewise, training of staff is essential.

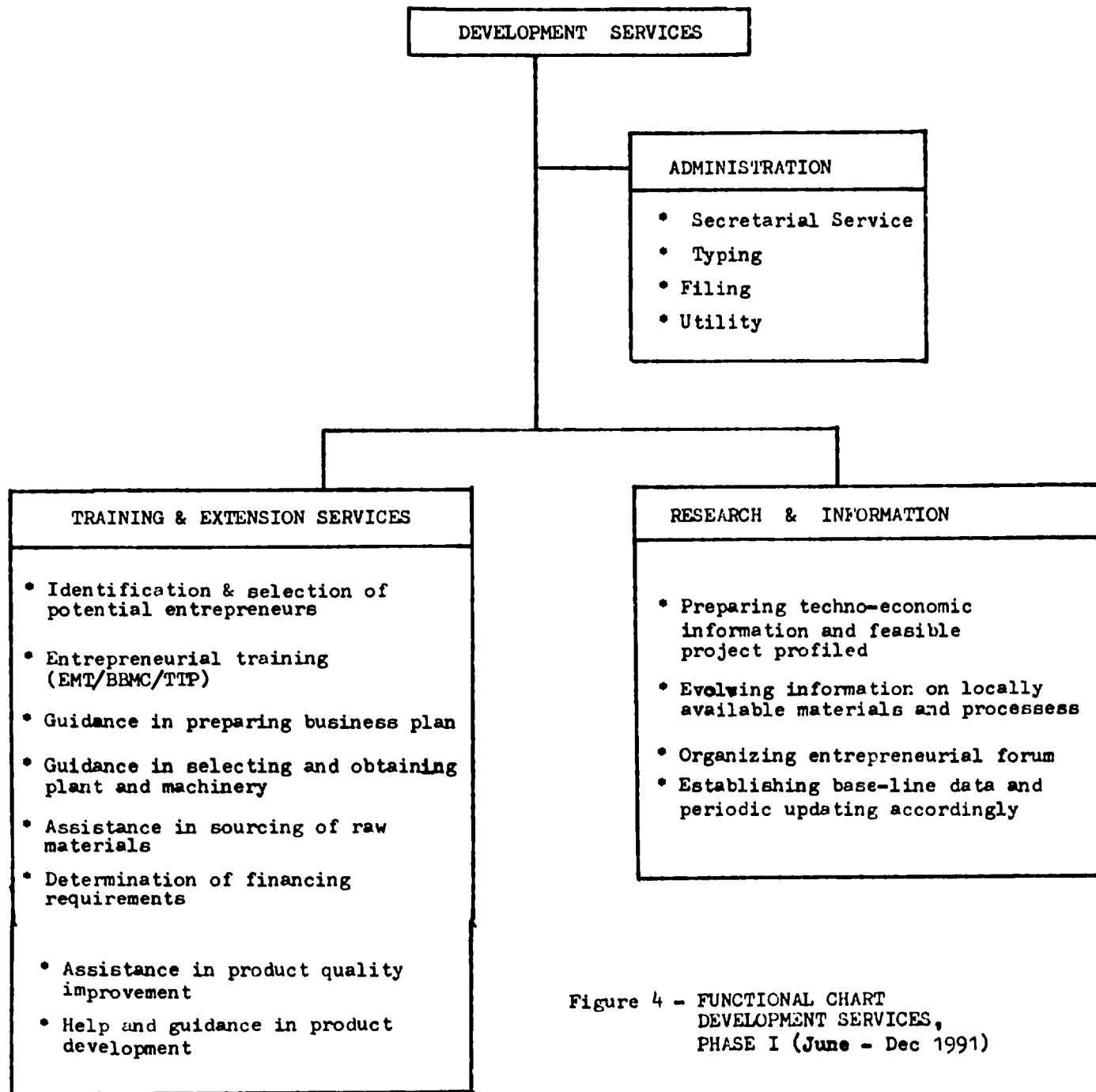


Figure 4 - FUNCTIONAL CHART  
DEVELOPMENT SERVICES,  
PHASE I (June - Dec 1991)

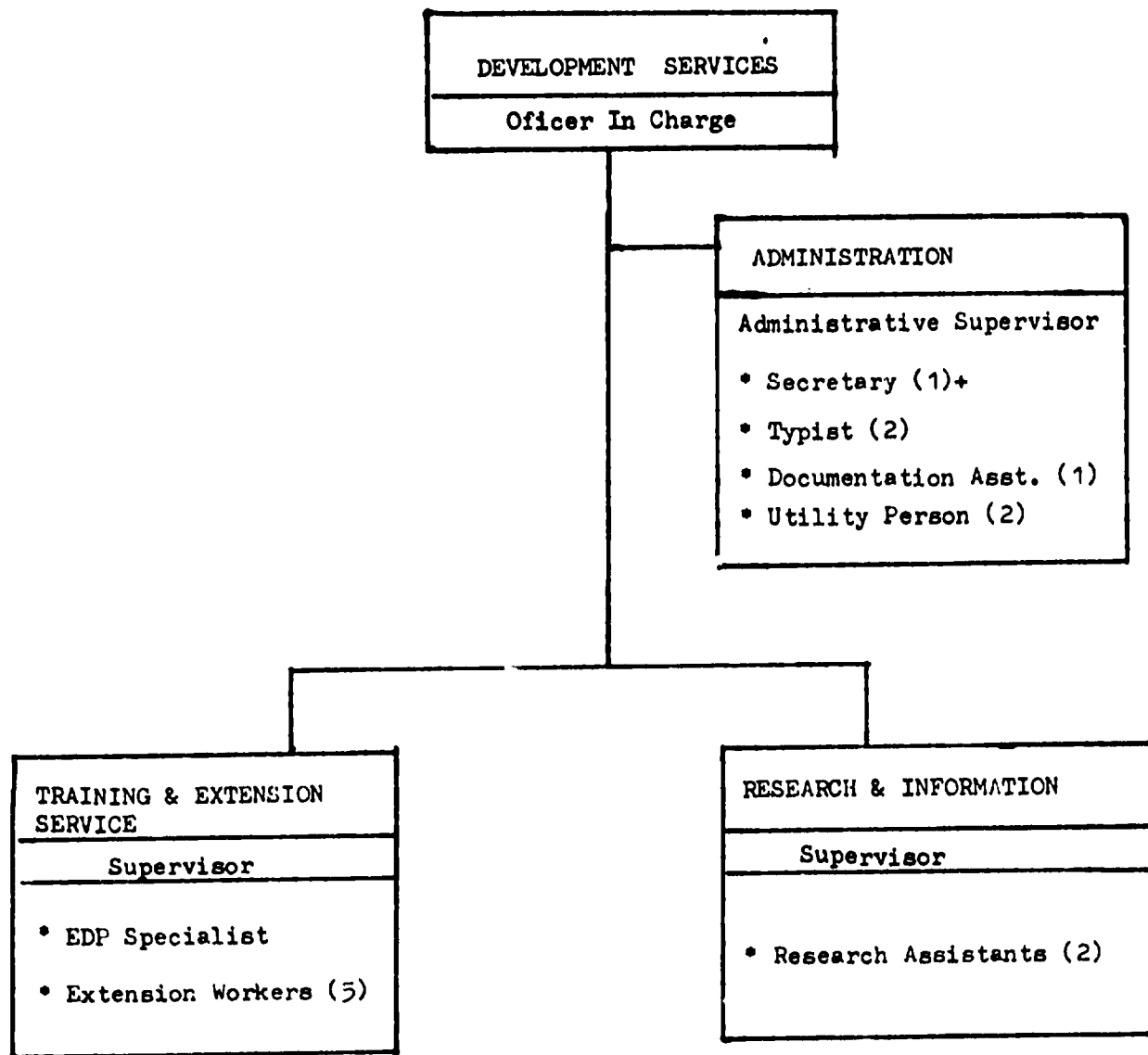


Figure 5 - Organization Chart, Development Services  
Phase I (June to Dec 1991)

+ A good secretary can be the Administrative Supervisor

2. Phase II (1992)

The second phase in the organizational development can only be started when the first phase has stabilized.

The changes involve the spin-off of all training activities into a separate group and expansion of activities in extension service, research and information, as shown in Figure 6 and as supported by organizational structure changes as shown in Figure 7.

NOTE: Staffing pattern provides for position upgrading as a motivational feature of the organizational development.



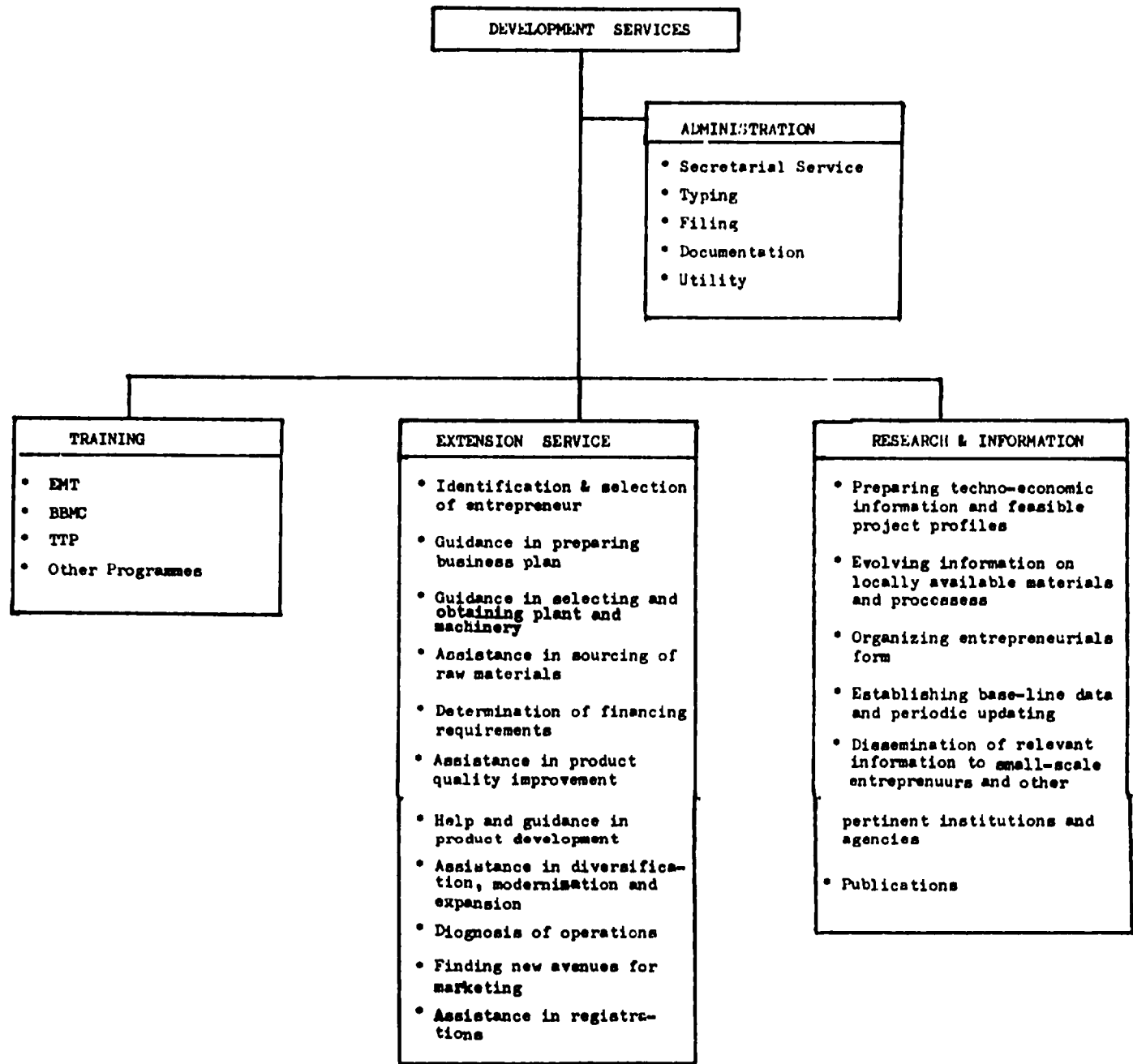


Figure 6 - FUNCTIONAL CHART, PHASE II (1992)

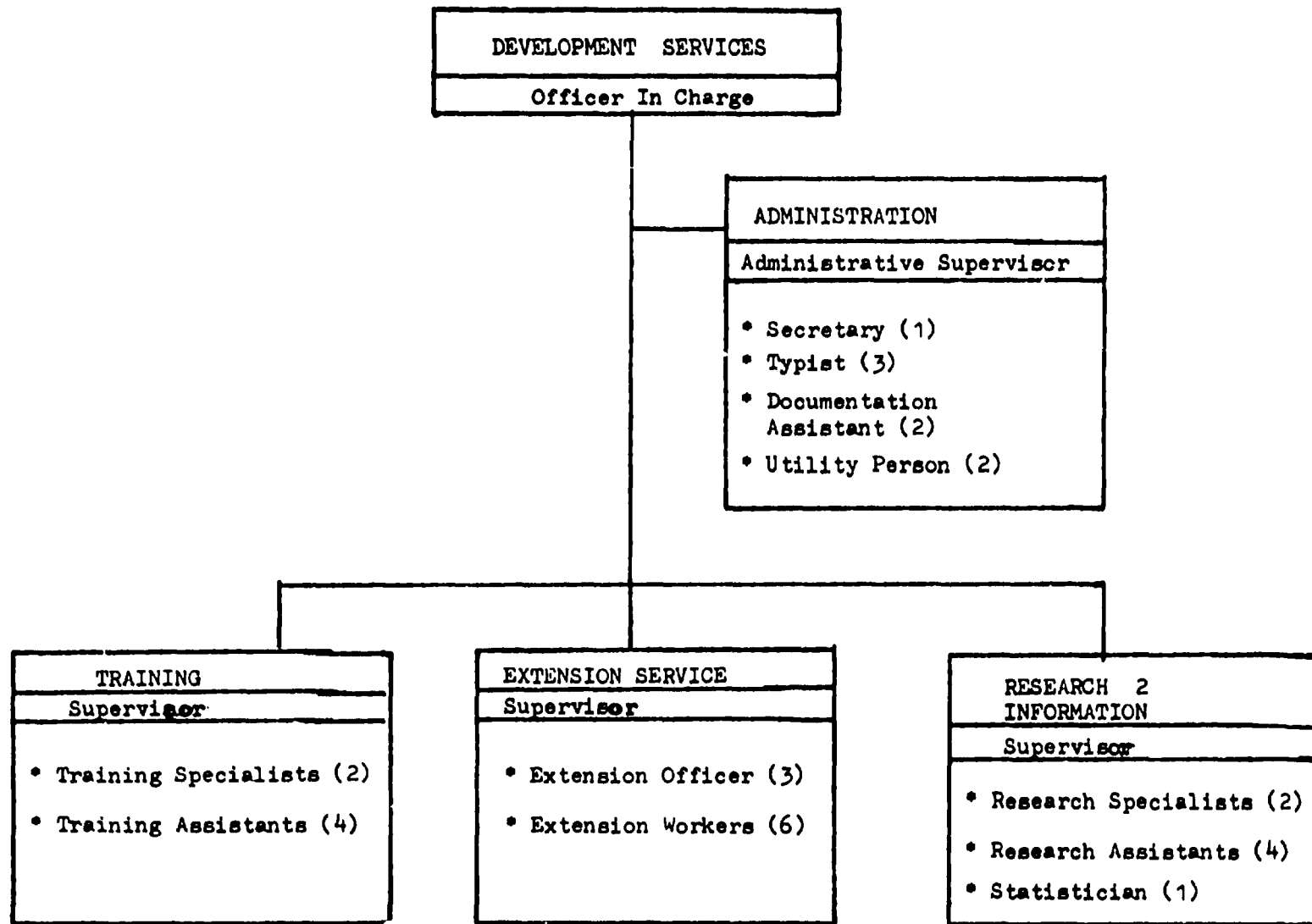


Figure 7 - Organization Chart, Phase II (1992)

### 3. Staffing

For most positions to be involved in entrepreneurship development it will be difficult to find individuals with experience. Educationally qualified people with business administration, commercial studies and engineering backgrounds are available. Hence, these graduates have to be trained in entrepreneurship development, extension service, small enterprise management, project evaluation and other relevant areas.

New graduates with indicated dedication for development work must be the best material to train for NIDFO staff as identified in the phased organization development. Internal promotion is advisable to provide staff motivation to stay in the organization.

## VI. MONITORING & EVALUATION

### A. Base-line Data

Monitoring and evaluation can only be done if the base-line data are established, against which actual achievement of the project are periodically compared.

The small-scale industry surveys that have already been undertaken in the Project provide some data that may be used. This can be reinforced by entrepreneur and enterprise data gathered through the entrepreneurship development process of NIDFO, as well as the enterprise data being set up by M.V. Oner, the Industrial Engineer.

The factors for measuring project impact are specified in the project document and re-stated in II OBJECTIVES of this report.

### B. Suggested Measurement Criteria

To measure project impact on the economy of Sierra Leone the following measurements may be used:

#### 1. Satisfaction of Basic Needs

a. Number of enterprises assisted falling within:

- 1) Food processing
- 2) Textile, gara dyeing,  
tailoring
- 3) Construction materials #
- 4) Household goods (tools, equipment,  
utensils, etc.)

# If eventually included in industry group for NIDFO assistance.

b. Production/Sales Value of all enterprises assisted falling within the above groups of industries.

2. Utilization of Locally Available Raw Materials

- a. Total value of local raw materials used by enterprises assisted.
- b. Ratio of local raw materials used to raw materials imported

3. Employment Generation

- a. Capital Investment/Employee
- b. Economy in Energy in KWH Per Employee
- c. Skill Orientation  
Establish technology levels.
- d. Positive Effects on Balance of Trade
  - 1) Foreign exchange earned
  - 2) Foreign exchanged saved
  - 3) Foreign exchanged used

e. Linkage with Other Sectors

- a. Down stream linkage
- b. Backward linkage with agriculture,  
mining
- c. Lateral industrial linkage
- d. No linkage at all

ENTREPRENEUR IDENTIFICATION FORM

1.0 NAME:.....CODE NO.:.....

2.0 NAME OF ENTERPRISE:.....

3.0 ADDRESS OF ENTERPRISE:.....  
.....

4.0 TELEPHONE: .....

5.0 DATE OF BIRTH: .....  
OR

6.0 PRESENT AGE: .....

7.0 NATIONALITY: 7.1 Sierra Leonean .....  
7.2 Others .....

8.0 INDUSTRY GROUP:

8.1 Food Processing .....

8.2 Wood Working .....

8.3 Textile, Gara Dyeing,  
Tailoring .....

8.4 Mechanical Works .....

8.5 Electrical/Electronics  
Works .....

8.6 Leather Works .....

8.7 Metal Works .....

9.0 NO. OF EMPLOYEES (Excluding yourself)

9.1 Apprentice .....

9.2 Regular .....

9.3 Supervisory .....

9.4 Total .....

ACTION TAKEN: Accepted .....

Rejected .....

IDENTIFIED BY: .....

DATE: .....

ENTREPRENEUR SELECTION FORM

1.00 NAME:..... CODE NO:.....

2.00 NAME OF ENTERPRISE: .....

3.00 ADDRESS OF ENTERPRISE:.....  
.....

4.00 TELEPHONE: .....

5.00 PERSONAL DATA:

5.01 Sex: 5.011 Male .....

5.012 Female .....

5.02 Age at time of starting the enterprise: ..... years

5.03 Religion: 5.031 Islam .....

5.032 Christian .....

5.033 Others (Specify) .....

5.04 Tribe/Ethnic Group:

5.041 Temne .....

5.042 Mende .....

5.043 Limba .....

5.044 Kono .....

5.045 Creole .....

5.046 Others (Specify) .....

5.05 Status:

5.051 Single .....

5.052 Married .....

5.053 Divorced .....

5.054 Multiple family .....

5.055 Widowed .....



5.06 Number of Dependents:

Age	Relationship	Sex	Employment Status	Full or Part Support

5.07 Education:

- 5.071 Elementary .....
- 5.072 Secondary .....
- 5.0731 Vocational .....
- 5.0732 Specify field .....
- 5.0741 Technical .....
- 5.0742 Specify field .....
- 5.0751 University .....
- 5.0752 Specify field .....
- 5.076 None .....



5.13 What are your reasons for going into business? Rank three of the most important reasons 1,2,3.

- 5.131 Desire for independence .....
- 5.132 More income in business than in previous occupation .....
- 5.133 Inherited business .....
- 5.134 Encouraged by government assistance .....
- 5.135 More challenging .....
- 5.136 Nothing else to do .....
- 5.137 Additional side income .....
- 5.138 Influenced by family .....
- 5.139 Influenced by friends .....
- 5.139 Others (specify) .....

5.14 What are your reasons for choosing this particular business? Rank three of the most important reasons 1,2,3.

- 5.141 Inherited business .....
- 5.142 Has knowledge or received training in this business .....
- 5.143 Encouraged by friends/family to enter the business .....
- 5.144 Encouraged by hope of government assistance .....
- 5.145 Encouraged by hope of NIDFO assistance .....
- 5.146 Motivated by success of others in this business .....
- 5.147 Perceived market potential .....
- 5.198 Requires little capital .....
- 5.149 Others (specify) .....
- .....
- .....

5.15 Along with the present business you are running, do you have any other business?

5.151 YES ..... 5.152 NO .....

If yes, state the following details.

5.153 Nature of business .....

5.154 Place of business .....

5.16 How many hours do you expend each day in this business?

5.161 Less than 6 hours .....

5.162 6 - 8 hours .....

5.163 9 - 11 hours .....

5.164 More than 11 hours .....

5.165 If you spend less than 8 hours give your reasons:  
.....  
.....  
.....

5.17 Do you own any of the following assets?

	<u>No.</u>	<u>Approximate Value</u>
House	.....	.....
Land	.....	.....
Car	.....	.....
Refrigerator	.....	.....
Electric/Gas Stove	.....	.....
Television	.....	.....

Administered by: .....  
EDP Specialist

Date: .....

Noted by: .....  
OIC, Development Services

Date: .....

ENTRENEURSHIP POTENTIAL SCREENING FORM

The following questions have been drawn up by the Development Services professional staff to be administered to candidates entrepreneurs identified for NIDFO assistance. The response to these questions will reflect entrepreneurship potentials for development.

Put a circle around the letter that expresses how you feel about the situations presented.

1. In the village where you reside the school-going children have doubled in number. As a carpenter how would you gainfully employ your talent and savings?
  - a. produce chairs and tables for teachers
  - b. produce household furniture
  - c. produce chairs and desks for school children
  - d. Act as contractor for buildings
  - e. Find employment and save your money.
  
2. There is Mr Sesay in the locality doing the same business as you. The quality of his products are good and is presently dominating the market. Will you be able to compete in this environment?
  - a. My product will surpass his in all manner
  - b. I will match with his quality
  - c. My products will be targetted to a lower group
  - d. I will imitate his products
  - e. I will find another location

3. Suppose due to a natural disaster your business has totally collapsed. What will you do?
  - a. Get employed and forget your business
  - b. Borrow money and start again
  - c. Get employed until you can save enough money to start again
  - d. Sell personal assets to raise capital and start again
  - e. Start again with personal savings
  
4. Would you easily accept to implement workable suggestions of your subordinates?
  - a. After examining it carefully
  - b. After discussing it with others.
  - c. Only if there are not other proposals from the supervisors.
  - d. Not at all
  - e. Always
  
5. You are engaged in the production of school uniforms for the local market. A major wholesale customer is in the habit of returning some of the goods 3 months after receipt of delivery with complaints on finishing. How would you stop this habit?
  - a. Stop selling to this customer.
  - b. Examine goods with customer before delivery to avoid future problems
  - c. Accept returns but inform customer that returns will be accepted only within two (2) weeks after delivery
  - d. Study business practice of customer elsewhere and do b
  - e. Verify validity of complaint and accept returned goods for rework, if found necessary, then do b

6. I have studied the information about your enterprise and I see that you are not skilled enough to handle this business. What do you have to say about this?
  - a. No, I am skilled enough
  - b. I can cope with the needs of my enterprise
  - c. I can learn what is needed
  - d. I will hire a skilled person to assist me
  - e. I will try another business
  
7. You are operating a business which is satisfactorily doing well. You win in the lotto Le55,000. What will you do with the money?
  - a. Invest all in my business
  - b. Invest all in the next lotto
  - c. Invest part in business and part in lotto
  - d. Invest all in another business which you have studied to be profitable
  - e. Entertain my family and friends with part of the amount and invest the rest in the next lotto
  
8. Do you talk frequently about what you have achieved so far as an entrepreneur?
  - a. Always
  - b. Not at all
  - c. Yes if asked
  - d. Most of the time
  - e. Sometimes

9. You were offered a large contract by a newly established firm which should be delivered within a given time. You have already started the work when you realize that you can not meet the required quality as your most experienced worker is sick and needs medical attention. What will be your reaction?
- a. I will hire skilled workers on contract.
  - b. I will sub-contract the work
  - c. I will take the worker to the hospital and see to it that he has prompt treatment and encourage him to work.
  - d. I will ask the existing work-force to do over time.
  - e. I will terminate the contract.
10. How did you come about establishing your business?
- a. I had the internal drive myself
  - b. A friend of mine advised me
  - c. It was a family business I inherited
  - d. I was working for someone when I realized that the business was profitable
  - e. My neighbor is doing well in the same business
11. Your best salesman proposes that a product that has not been selling well be dropped. What action would you take?
- a. Agree with him immediately
  - b. Disagree with him entirely
  - c. Study the proposal and act accordingly
  - d. Listen to him and think about it before agreeing
  - e. Consult other salesmen before agreeing



12. Your mother-in-law gave you two sewing machines as a gift. What will you do with them?
- a. Sell them
  - b. Lease them to a tailor shop in town
  - c. Start a shop for sewing curtains, table cloths, bed sheets, pillow cases, etc.
  - d. Ask your spouse to set up a tailoring shop
  - e. Keep them in storage until you find something to use them for
13. A customer buys a product and returns this a day later in good order saying that he has made a mistake in buying the item and wants a refund. What will you do?
- a. Say no and refuse the return
  - b. Say it can be exchanged for something else
  - c. Accept return and give the refund
  - d. Ignore him and go out
  - e. Tell him to come back the next day when you will decide what to do
14. If you are asked if you can tell how much the chair you are sitting on will cost to produce, will you say:
- a. No. I cannot
  - b. It will cost ..... amount
  - c. I have to study it first and tell you tomorrow
  - d. I will ask my friend who knows and let you know
  - e. I do not make chairs so I do not care to know

15. You are operating in an area where most of the inhabitants are in the low income group. Your products are of two qualities to satisfy the existing groups. The cheap product yields less profit per piece than the other. What will be your production target?

- a. Target the low income group
- b. Target the high income group
- c. Produce fifty per cent of each
- d. Study the market and make an appropriate mix
- e. Produce on demand

16. When faced with a challenging task:

- a. I entertain fear of failure and turn my back from the task
- b. I accept the challenge and feel sure I can do the task
- c. I accept the task and say I will try my best
- d. I accept the task with conditions that if I fail the fault is not mine
- e. I accept the task and claim I can do better than called for

17. Would you be prepared to spend three weeks in a training programme that might contribute towards enhancing the success of your enterprise?

- a. Willingly
- b. I will find time if needed
- c. I have already completed technical training
- d. I will send one of my workers to attend
- e. I do not have time for training

18. One of your customers pointed out a defect in the chair you made for him. Will you:
- a. Get angry and tell him to go elsewhere for his needs
  - b. Defend the merits of your work and refuse to accept his comments
  - c. Discuss what he has to say and correct the defect
  - d. Tell him to return the chair and refund his money
  - e. Correct the defect and adopt the improvement in other products to be made
19. You heard that a business enterprise employing 200 workers in your locality has decided to supply the staff with uniforms. What will you do?
- a. Send someone to enquire if the information is true
  - b. Submit a tender to supply the uniforms
  - c. Gather all the necessary information then submit a tender accordingly
  - d. Discuss the situation with company employees
  - e. Wait for the company to contact you
20. You have been engaged in the production of one type of furniture for the past 3 years and sales has started to decline. What action will you take?
- a. Reduce my production
  - b. Find other outlets
  - c. Introduce new design
  - d. Go into other products aside from furniture
  - e. Stop operation

21. The local Hunting Society sent you a letter asking for a donation of Le10,000 for their celebration, but you are strictly against the Hunting Society. What will you do?
- a. Send them a letter that you do not contribute to such society
  - b. Ignore the letter and do not do anything
  - c. Send a reply that you would have donated if business were doing well
  - d. Send the donation of Le10,000
  - e. Send a small donation like Le2,000 and say that is all you can afford
22. Before you started your business what aspect was most important to you?
- a. the product
  - b. the price
  - c. the market
  - d. the process
  - e. the workshop

23. You have applied for financial assistance with a bank for your business. You have an appointment for Friday at 11.30 a.m. On the same morning you are informed that your brother is ill and needs medical attention. At the same time you are invited by a friend to the wedding of his son at 10:30 a.m. On the same day you are expecting delivery of a new machine for your workshop and are expected to go to noon prayers. Which activity will you attend to personally and with priority over all?
- See the bank manager
  - Attend to your brother's illness
  - Wait for the machine delivery
  - Attend the wedding
  - Go to noon prayers
24. As a businessman where would you prefer to invest your money
- the state lottery
  - savings deposit
  - good business with limited opportunity for expansion
  - treasury bills
  - growing industry with growth opportunities
25. You have limited capital for the expansion of your business. If the expansion is necessary to fulfill the contract at hand. Which of these actions will you take?
- Terminate the contract
  - Negotiate a bank loan to purchase additional machinery.  
Your profit will reduce
  - Lease additional machinery for the duration of the contract when maintenance cost will be borne by you
  - Rent additional machinery for the duration of the contract when maintenance cost will be borne by the owner
  - Work day and night with existing work force and machinery to fulfill the contract

26. One of your subordinates suggests an improved way in processing your product. You will:
- Reject the idea outright because it is not your own
  - Accept the idea but not implement it
  - Try the idea and see if it works
  - Find all reasons to prove it will not work
  - Discuss the idea further and work together with him to make it work
27. What do you wish for your business in this new indefinite environment within the next two years?
- Remain in the same level of operation
  - Excel over competitors
  - Maintain same level of operation as the most established unit
  - Close shop
  - Try to be in business even with less profit
28. You have just reprimanded a worker and he decides to leave the job. In your anger you accepted the resignation but found out a few minutes later that he has not completed the work he is doing. What will you do?
- Accept the resignation and let him go
  - Ask him to complete the work then he can leave
  - Talk to the worker and thresh out the matter of the reprimand and that you have lost your temper and he does not have to resign
  - Refuse his resignation and threaten him that you will not give him good reference when he applies for another job
  - Tell him you are firing him anyway for bad work performance

29. Your business is growing so that you can no longer keep track of all transactions. You do not know accounting and book-keeping but you would like to set up some kind of records. What will you do?
- a. Wait until you find out what can be done
  - b. Buy a note book and record all business transactions daily or when you find the time to
  - c. Have two boxes, one for expenses (money given out) and one for revenues (money coming in) and put all receipts accordingly. Add up expenses and revenues at the end of each week
  - d. Ask your wife to set up your records when she has nothing to do
  - e. Hire a book-keeper who can do your book-keeping once a month
30. In your tailoring shop there are many orders coming in. The bottleneck in your operations is the side seaming process. Adding sewing machines is too expensive. What will you do?
- a. Work overtime and try to finish orders on time
  - b. Turn down order because you cannot complete them in time
  - c. Study the side seaming process and find a way to increase output
  - d. Tell your customers they have to wait four (4) weeks for their orders.
  - e. Accept orders and make customers wait for completion

31. On your way to a customer as a plumber you notice a leaking pipe in front of an office building. What will you do?
- a. Continue with your journey and ignore what you saw
  - b. Go on with your business but send your assistant to the building manager/owner to inquire if help is needed
  - c. Inform concerned authorities about the leak and the damage it causes so repairs may be made
  - d. Stop by and fix the leak after talking to the building manager/owner
  - e. Stop by and fix the leak then tell the manager/owner what you have done
32. As the boss of your enterprise what will be your approach when production falls below target and the regular working hours is fixed from 8:00 a.m. to 4:00 p.m.?
- a. Get involved with the production process to increase output
  - b. Schedule overtime for workers
  - c. Schedule overtime and get involved with production process
  - d. Negotiate for extension of delivery date
  - e. Make do with what can be finished and never mind the target



SCORING

Give yourself the following scores for the answer selected.

Add up your scores.

1. a - 4  
b - 3  
c - 5  
d - 2  
e - 1

2. a - 5  
b - 4  
c - 3  
d - 2  
e - 1

3. a - 1  
b - 3  
c - 2  
d - 5  
e - 4

4. a - 4  
b - 3  
c - 2  
d - 1  
e - 5

5. a - 1  
b - 2  
c - 4  
d - 3  
e - 5

6. a - 2  
b - 3  
c - 5  
d - 4  
e - 1

7. a - 4  
b - 1  
c - 3  
d - 5  
e - 2

8. a - 5  
b - 1  
c - 2  
d - 4  
e - 3

9. a - 5  
b - 4  
c - 2  
d - 3  
e - 1

10. a - 5  
b - 3  
c - 2  
d - 4  
e - 1

11. a. - 2  
b. - 1  
c. - 4  
d. - 3  
e. - 5

12. a. - 2  
b. - 3  
c. - 5  
d. - 4  
e. - 1

13. a. - 1  
b. - 4  
c. - 5  
d. - 2  
e. - 3

14. a. - 1  
b. - 3  
c. - 5  
d. - 4  
e. - 2

15. a. - 5  
b. - 1  
c. - 3  
d. - 4  
e. - 2

16. a. - 1  
b. - 4  
c. - 3  
d. - 2  
e. - 5

17. a. - 5  
b. - 4  
c. - 2  
d. - 3  
e. - 1

18. a. - 1  
b. - 2  
c. - 4  
d. - 3  
e. - 5

19. a. - 2  
b. - 4  
c. - 5  
d. - 3  
e. - 1

20. a. - 2  
b. - 3  
c. - 5  
d. - 4  
e. - 1

21. a. - 1  
b. - 2  
c. - 5  
d. - 3  
e. - 4

22. a. - 2  
b. - 3  
c. - 5  
d. - 4  
e. - 1

23. a. - 5  
b. - 3  
c. - 2  
d. - 4  
e. - 1

24. a. - 1  
b. - 2  
c. - 4  
d. - 3  
e. - 5

25. a. - 1  
b. - 2  
c. - 3  
d. - 5  
e. - 4

26. a. - 1  
b. - 3  
c. - 4  
d. - 2  
e. - 5

27. a. - 4  
b. - 2  
c. - 3  
d. - 1  
e. - 5

28. a. - 3  
b. - 4  
c. - 5  
d. - 2  
e. - 1

29. a. - 1  
b. - 4  
c. - 5  
d. - 3  
e. - 2

30. a. - 4  
b. - 2  
c. - 5  
d. - 3  
e. - 1

31. a. - 1  
b. - 4  
c. - 2  
d. - 5  
e. - 3

32. a. - 4  
b. - 3  
c. - 5  
d. - 2  
e. - 1

INTERPRETATION

Score

Action

100 - 160

Accept for EMT

80 - 99

Provide extension service to  
strengthen entrepreneurship

79 & below

Reject for lack of entrepreneurial  
potential