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## **FEASIBILITY STUDY: HOW AND WHERE TO START A BUSINESS CENTRE OR SOCIAL BUSINESS HUB IN GHANA'S TONGU REGION**



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**FEASIBILITY STUDY: HOW AND WHERE TO START A BUSINESS CENTRE OR SOCIAL BUSINESS HUB IN GHANA'S TONGU REGION**

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# EXECUTIVE SUMMARY

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This report was an undertaking whose main aim was to provide concrete advice on how Fair2 could implement its business idea of establishing a business centre premised on a social venturing basis with the view of stimulating entrepreneurship and hence be a catalyst in the improvement of life in the Tongu area of Ghana. The feasibility study was conducted in three phases all structured to give the ideal location as well as to capture the demand and interest of the people that would be served through the centre. This was done by three months of field research in the area of concern. Analysis was continually conducted throughout the research. Some levels of desk research applied and helped in the consolidation of the entire research. Both methods of research ran simultaneous. Through the recommendation section, the researcher gives his personal stance on what combinations would be applied matched with the current circumstances. All this was done with the help of a business canvas model. It was proved that people were interested in the centre and were willing to pay for the services. A partnership was also deemed to be fit especially with a training centre that shares the same ideology of empowering the local populace. Hence, the feasibility of the concept was proven as viable. Through the partnership, huge investments can be avoided, reducing risks and putting the assumptions to a real test. Henceforth, the research questions on interest, location and possible partnership were all answered in the positive. Simple accounting procedures were also conducted to show the financial soundness of the concept. Forecasts were also performed to act as a guide for the expected performance given that the stated considerations and assumptions hold. Through them, it showed that when a partnership is conducted, the break-even-point can be attained in the first six months of operation.

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# **1. INTRODUCTION**

## **1.1 BACKGROUND**

Business centres provide assistance and support to new and existing businesses by offering among other services: practical help, referral to specialist advisors, business information, help through government departments and regulations, business workshops and help with problem solving. Business incubation within centres are establishments or just programs that are designed to support the successful development of entrepreneurial companies through provision of business support services and resources that may otherwise be an obstacle for start-ups. Entrepreneurship is a tool necessary for economic development especially through the innovation that it brings forth. Certainly, in many countries, the topic of entrepreneurship is not fully taken advantage of. Many use entrepreneurship as a necessity for survival or on opportunity driven basis.

Fair2 is concerned with the economic well-being of people in developing countries. It is for this reason that it recognises the importance of innovative entrepreneurship and the extent to which it can be used to up-lift the living standards of people. The motivation behind this logic is based on the proprietor's personal encounter with one region of Ghana that has massive underdevelopment. The region is the broader Tongu region which lies within the Volta region. Following all rational business logic, the company wants to set up a business centre in that region. This is in the rightful view that the participants shall be helped in as much as entrepreneurial skills are concerned. It is through the centre with particular respect to the incubation that some of the hurdles associated with start-ups shall be overcome on behalf of the participants.

However, no concept starts without a justified lay-out. The start of this concept is to determine the viability it holds through a feasibility study. This defines the purpose for this research. It was a feasibility study concerned with setting up a business centre in the broader Tongu area of Ghana's Volta region.

## **1.2 RESEARCH QUESTION**

How and where could we start the business centre or social business hub in the broader Tongu area of Ghana's Volta region?

### **1.2.1 SUB QUESTIONS**

- Are the people interested in this concept?



- Which city is best for this concept?
- Which partners should we include?

### **1.3 RESEARCH OBJECTIVES**

- Carefully analyse the Tongu region cities through socio-economic development statistics and standings.
- Understand how a business centre operates and form scenario planning on what combinations are best in different circumstances. This should also produce what package the clientele desire.
- Critically analyse all possible partners and the value they can add if considered.

### **1.4 SIGNIFICANCE OF STUDY**

The research will help Fair2 on what course of action to take. If the concept proves successful, other entities may set up similar concepts within the same area with our concept serving as the as the prototype. This can indeed among other existing efforts, be a step necessary for enhancing economic development and growth of the region.

### **1.5 TARGET AUDIENCE AND THEIR INTEREST**

This paper is prepared for Fair2. Hence, the institution is the recipient of the end product of the research. However, HU University of Applied Sciences-Utrecht is another target audience because their satisfaction of this report is a pre-requisite for the receipt of my degree. Representatives from both parties were open-minded and helpful. This was an important ingredient as it provided the desired atmosphere for the research.

### **1.6 OUTLINE**

This paper is arranged in topics that move in a numerical manner. The second chapter is an expedition of what other authors have written about the topics at hand with an ultimate biasness on business centres and feasibility studies. The methodology used is contained in the third chapter in which justification is given over the methods used for the research. The findings, discussions and conclusions (fourth and fifth chapters) are merged. This gives the full layout of the findings were facts will be stated and data fully interpreted immediately. Recommendations are given as the last chapter. The references and appendices form the last parts of the paper in which credit is given to the sources for the data and other additional materials are given to support the paper as a whole respectively.

## 2. LITERATURE REVIEW

This topic is concerned with reviewing what other authors have written with regards to the topic at hand. Due to the broadness of the research question and the fields it so encompasses, a number of authors in their respective fields are reviewed. Henceforth, credit and acknowledgement is given to them. The sub-topics within this topic are arranged first with a look at feasibility study, which is the prime purpose of the research. The next one reviews the methods that can be used to foster development of enterprises. The third sub-topic tries to give a picture of the region under consideration as given by the district website. The fourth sub-topic reviews the connection between entrepreneurship and economic development whilst the fifth is concerned with partnerships and internationalization of establishments. The last sub-topic merely tackles the limitations associated during the formulation of this topic.

### 2.1 FEASIBILITY STUDY

Matson (2000, p2) defines a feasibility study as ‘an analytical tool used during project planning process to show how a business will operate under different set of assumptions’. It is from this definition that insight is gained into the subject. He further suggests that it should merely be an analysis of how the project will run under a set of assumptions and what may happen when the assumptions change. Later on, he stresses out the point that a feasibility study must not act as business plan. A clear indication of the two documents must be taken into account. The business plan is built on a viable and positive feasibility study.

### 2.2 INNOVATION VEHICLES FOR ENTERPRISE DEVELOPMENT

Khalil and Olafsen (2008, p71) determine the ‘innovation vehicles for enterprise development’. The different models are set as:

#### **1- Business development centers**

Target enterprises: Small and Medium Enterprises (SME's)

Key features: Ad hoc; demand-driven assistance; focused on a particular issue for which the entrepreneur asks for assistance; usually broad business support including training and advisory services.

Revenue streams: Government/ Donor subsidies, fee-for-service

Business model: Non-profit/ profit making

## **2- Business incubators**

Target enterprises: Early stage enterprises with high growth potential.

Key features: emphasis on co-location and ‘cluster’ effect between enterprises; ongoing, supply and demand-driven assistance until an agreed upon performance milestone has been reached; integrated mix of intensive strategic and operational support focused on enterprise in its entirety.

Revenue streams: Government/ Donor subsidies, fee-for-service, rent, royalties and equity.

Business model: Non-profit/ profit making

## **3- Technological sparks**

Target enterprises: Emerging and established technology businesses

Key features: emphasis on co-location and ‘cluster’ effect between enterprises; demand-driven assistance; emphasis on provision of state-of-art real estate, office space and research facilities.

Revenue streams: Government/ Donor subsidies, fee-for-service, rent, royalties and equity.

Business model: Non-profit/ profit making

The ‘innovation vehicles’ certainly differ in size, organizational structure and strategy as well as the clients they serve. Zawde (2007: p 42) urges that business incubators are mostly suited for light manufacturing and service businesses that do not require large facilities. He further reveals that through centralized resource sharing, the overhead costs for the new businesses are reduced. However, the definition of the clients that will be served and what is expected of them must be made clear from the onset of the program.

## **2.3 TONGU AREA**

The district’s website reveals the underdevelopment in the area<sup>1</sup>. Among the notables are:

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<sup>1</sup> [http://northtongu.ghanadistricts.gov.gh/?arrow=atd&\\_id=128&sa=218](http://northtongu.ghanadistricts.gov.gh/?arrow=atd&_id=128&sa=218)

- Poor road network, this affects the travel time and other economic activity within the district and with other districts. This has also affected the postal services. Post offices are only present at Adidome and Juapong (the industrial town). Postal agents are present in six different locations.
- Only eight towns are connected to the national grid, this leaves the other towns to rely on alternative forms of energy.
- The district's main water supply is through the rivers, wells dams and rainwater. When the rainfall is low, many towns are hit with water shortages.

The North Tongu district database (2013) released by the local municipality reveals that the district has 13 settlements comprising of an estimated 53 diverse communities residing mainly along the Volta River. The document further identifies the location of the district as belonging to the Tropical savannah grassland. The district is a new one and only came into existence upon its inauguration on 28<sup>th</sup> June, 2012.

## **2.4 ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT & GROWTH**

Entrepreneurship in reference to Shane and Ventakaraman (2000) is defined by Szirmai, et al (2011, p4) as 'discovery and exploitation of opportunities'. Dushnitsky and Lenox (2005) explain that a vehicle is required to ensure that entrepreneurial action of transforming personal qualities and ambitions into actions is conducted. Such a vehicle is present in small firms where the entrepreneur has a large controlling stake. The outcomes of such entrepreneurial ventures have to deal with newness. The newness can be through product, process, organizational innovation, innovative business startups or through entry into new markets. Incumbents can through entrepreneurial ventures invest in and successfully harvest innovations.

The innovative aspect of entrepreneurship makes it desirable in all forms of organizations regardless of their purpose. Dushnitsky and Lenox (2005) stress the point that larger firms often mimic smallness by using organizational forms like business units, subsidiaries and joint ventures to introduce corporate entrepreneurship or intrapreneurship.

The topic of entrepreneurship is strongly attached to innovation. Carree and Thurik (2010) describe it as an ingredient necessary in carrying innovations and enhancing rivalry. With increased rivalry among entrepreneurs, all seek to give a distinguished and better offering.

The innovations serve as a distinguishing component to the respective offering. Attention is only gained in the event that an offering is efficient and effective. The benefit of improved entrepreneurship is two-fold. It provides jobs and income on one hand and a better product on the other. The most appealing aspect of positive entrepreneurship is that it leads to an increase in the quality of life. The overall impact of entrepreneurship is described by Porter (1990, p125) as occurring 'at the heart of national advantage'.

Entrepreneurship is undoubtedly one of the key factors necessary to foster economic development. The United Nations Conference on Trade and Development (May, 2004) in Geneva through their report which focused on 'Entrepreneurship and Economic development' (2005, p3) described entrepreneurship as 'a source of innovation and change, and thus spurs improvements in productivity and economic competitiveness'. The report further validates the assumption that fostering entrepreneurship means fostering a country's competitiveness especially by means of technological change and the intensified global competition brought about by globalization and economic liberalization.

Venesaar and Loomets (2006) through a statistical analysis indicated a remarkable contribution of entrepreneurship into economic development in the form of fast growth of the enterprise sector.

## 2.5 INTERNATIONALIZATION

Many procedures and models are present that guide an organization's expansion and internationalization strategy. Among the consistent provisions include the following process<sup>2</sup>:

**Reactive exports> Proactive exports> Licenses> Joint Ventures> Mergers  
&Acquisitions> Greenfield investment**

For non-manufacturing and non-exporting companies, the process can be started at the point of Licenses/joint ventures and partnerships. It is essential that a firm has a strong local standing before expanding and internationalizing its operations. However, the system on business expansion is that once licenses to carry out business in a foreign country are granted, the concerned company must be willing to collaborate with other existing establishments in the new country through joint ventures and partnerships. When a stance and strong base is

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<sup>2</sup> [https://cursussen.sharepoint.hu.nl/fem/3/MB-IB2ORBEH-10/Studie%20Material/organizational%20behaviour%20week%20%20\(21-11-2012\).pdf](https://cursussen.sharepoint.hu.nl/fem/3/MB-IB2ORBEH-10/Studie%20Material/organizational%20behaviour%20week%20%20(21-11-2012).pdf)

achieved, mergers and acquisitions can be conducted and later on large scale and independent investments.<sup>3</sup>

However, Carree and Thurik (2010) describe the two main determinants of internationalization as 'formal evaluation' and 'attractiveness'. The partnership is the prime formality to undertake in the initial stages before the expanding company can stand independently in the foreign land. In the case that both the determinants are favourable, the following process can be followed:

**Recognition> Search> Evaluation > Partnership**

## **2.6 LIMITATIONS**

There was no access to secondary sources of data to consolidate these sections. The location for research permitted no access to traditional libraries making it to be limited to online publications. This limited the exposure desired for the research as not all publications are available online. The nature of the research question was broad and hence posed a challenge on what fields to pay much attention to. However, much effort was applied to ensure that a desired balance was created among the various sub-topics. No much literature is present that has an ultimate focus on business centers with our desired concept of operation.

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<sup>3</sup> [http://www.cf-sn.ca/business/business\\_expansion/expansion.php](http://www.cf-sn.ca/business/business_expansion/expansion.php)

### 3. METHODOLOGY

This chapter explains the methods used to conduct the research and their respective justification. The topic is arranged with sub-topics, the first for which gives a slight briefing of the overall research whilst the second gives the manner in which the data was collected. The third explains the overall analysis of the data collected as well as how meaning and value was added so as to gain the required information. The fourth sub-topic brings out the issues of sampling. The next sub-topic gives the boundary of the research and the concerned justification. The last sub-topic merely brings to light the challenges that were encountered during this section of the research.

#### 3.1 ORIENTATION

The research question and the sub questions demand a data collection method that is able to capture qualitative aspects of it on a large part. The research was concerned with capturing the interest of the would-be-clients as well as the ideal location for the establishment of the business centre. This involved both primary and secondary data sources.

The research was conducted in three phases:

**Phase 1:** The main objective was to gain insight of the area and the cities henceforth. A total of 22 stakeholders which mainly consisted of opinion leaders were interviewed. A snowballing approach was conducted. The main result of this phase was its revelation of the most important stakeholders to consider as the concept progressed. The results from this phase constituted the input for the second phase.

**Phase 2:** The main objective was to perform an in-depth analysis of the resultant favoured cities. Aspects that were taken into consideration included financials and the establishment formalities. Keen interest was given to two cities and all possible alternatives of engaging in a partnership or starting independently were reviewed.

**Phase 3:** The last phase primarily focused on the would-be-clients. The objective was to capture their interest in participating once the concept was established. Other products expected were an explicit disclose of the desired offering to induce participation. Questionnaires were administered to: representatives of youths from a youth group within the area; employees and customers from three existing similar concepts which were co-operative from the region; representatives from a women's group in the area and section for teachers from the area to represent the middle-income class.

### 3.2 DATA COLLECTION

The primary data was collected through interviews and questionnaires. The interviews were done on the stakeholders and opinion leaders in the area for the first and second phases. A list of guiding questions was used during interviews and also acted as a questionnaire in times when the subjects were not available. The questions were mainly open so as to allow for much information accumulation. The would-be clients in the third phase had a questionnaire that had a mixture of both open and closed questions. The following was the composure of the groups from which data was collected in each respective phase:

#### **Phase 1**

##### Stakeholders and opinion leader interviewed:

District Assembly officials-6; Educational officials-6; Existing training centres officials-4; Business people and officials-6

Total – **22**

#### **Phase2**

##### Stakeholders and opinion leaders interviewed:

District assembly man-Battor; Head teacher for Junior Secondary in Battor and also leader of a two women's groups within Battor; Aveyime community information technology and training centre manager; Training centre manager in Sogakope and District Chief Executive for Sogakope.

Total – **5**

#### **Phase3**

Teachers-20; Patrons and employees of Training centres-29; youth group representatives-19; women group representatives-25; Business proprietors-12;

Total - **105**

In this phase, the distribution of questionnaires was done with the help of influential people and/or leaders of the groups that were targeted. The amount of questionnaires they administered was done at their own discretion.



### 3.3 DATA ANALYSIS

Statistical, mathematical and qualitative procedures (including SPSS and Microsoft Excel) were used in the study to create value from the data and hence obtain information from it. The use of graphs, charts and tables also formed a basis for data interpretation. However, most of the data presentation embarked on basic tables due to the researchers comfort and their adaptability for different data.

### 3.4 POPULATION AND SAMPLING

**Phase 1-**A snow-balling approach was used to identify the most relevant stakeholders and opinion leaders to be of help in this phase.

**Phase 2-**The results and experience from phase 1 formed the input for this phase and reviewed the appropriate subjects that would be of help.

**Phase 3-**The sample consisted of:

- Participants/employees in the other training centres (within the region) or those who are or have been engaged with them before. This was done on the premise that from the experiences they have/had with the centres, they can provide the missing aspects of the current offering. This would then be the value that can be added in an event of a partnership with an existing training facility.
- Representatives from two women groups in Battor.
- Representatives from a youth group at Atsiekpoe.
- Representatives of business proprietors within the region.
- A section of teachers to represent the middle-income from Atsiekpoe and Battor.

The sampling method used was that involving no probability techniques to determine the sample size. This was in the hope of capturing the larger part of the desired sample space. Hence, the sampling method executed was 'Judgmental/ purposive' with heavy reliance on available subjects. Full probability-based samples may eliminate the chances of getting data from the most important subjects.

For phase 3, administration of questionnaires was done with the help of leaders and influential people from the groups mentioned above. The number of subjects they choose to administer the questionnaires was wholly upon their discretion and convenience.

Two meetings were held in Holland after the research to brainstorm the recommendations and evaluate the research as a whole. These were on 11/07/2013 with in CvJO, an entrepreneurship centre in Nijmegen and on 30/07/2013 with the Netherlands African Business Council in The Hague.

### **3.5 LIMITATIONS**

The research was only limited to the broader Tongu area within Ghana's Volta region. Various groups were interviewed in order to gain a much representative sample space. The stakeholders (and opinion leaders) from the concerned region were also interviewed using a different set of questions. This category involved officials that had knowledge about the concept and where it could fit best. It also included the officials with authority to influence the true meaning or objectives of the core business.

### **3.6 DELIMITATIONS**

Biasness of the stakeholders and opinion leaders asked was observed. They all wanted to have the centre in their own home towns. Objectivity in this sense on their part was compromised. The existing centers were seemingly hesitant to connect the research to their trainees in fear that their clients will be taken hold of. However, they were free to direct the researcher to other personnel that had interest in trainings. There was no ready supply of the desired information about the region especially on the crucial subjects and hence some level of assumption had to be made based on the experiences and observances whilst in the area. The non availability and non willingness of existing traditional libraries to act as a base for my research limited my access to secondary data and heavy reliance was given to the internet. The second phase would have been a lot easier if there were real estate agents within the area to provide information on the available renting possibilities within the areas of concern. Analysis of towns could have been made clearer and easier in the event that information about them was available. The re-alignment of districts that occurred in 2012 rendered the new districts vulnerable to progressive research as they were still in the construction phase. The analysis of such towns was largely dependent upon the discretion of the researcher. The use of open questions in questionnaires made analysis challenging as codification of data was not easily attainable. The questionnaire in phase 3 also exhibited in some cases similar responses especially if they were answered by people from within a common group.

## 4. FINDINGS, (5. DISCUSSIONS AND CONCLUSIONS)

### 4.1 PHASE 1

#### 4.1.1 PARTNERSHIP

The interviewees in this phase posted a 100% positive response in as much as partnering with Fair2 on this concept was concerned.

#### 5.1.1 PARTNERSHIP

A 100% express of willingness to partner over the proposed concept is an indication of the level of confidence that the stakeholders had in the concept. However, an important ingredient that was put forward leading to such progress was that an explicit role should be defined for each one of them before engaging them in the partnership.

#### 4.1.2 CONCEPT DISCRIMINATION

As to whether the concept should discriminate and focus on certain people or sector, the following results were obtained:

Which group or sector must the concept concentrate on?				
	Frequency	Percent	Valid Percent	Cumulative Percent
Open	11	50.0	50.0	50.0
Agriculture only	2	9.1	9.1	59.1
Agriculture and vocations	1	4.5	4.5	63.6
Agriculture, Youths and Women	1	4.5	4.5	68.2
Small scale business only	1	4.5	4.5	72.7
Valid Technology only	1	4.5	4.5	77.3
Youths and Women	1	4.5	4.5	81.8
Women and Agriculture	2	9.1	9.1	90.9
Women only	1	4.5	4.5	95.5
Youths only	1	4.5	4.5	100.0
Total	22	100.0	100.0	

**Figure 1**-table showing discrimination of group or sector

Sector/Group	Considerations	Calculation	Percentage
Open	11	11/28 by 100%	39.29%
Agriculture	6	6/28 by 100%	21.43%
Women	5	5/28 by 100%	17.86%
Youths	3	3/28 by 100%	10.71%
Small scale enterprises	1	1/28 by 100%	3.57%
Technology	1	1/28 by 100%	3.57%

<b>Vocations</b>	1	1/28 by 100%	3.57%
<b>TOTAL</b>	<b>28</b>		<b>100%</b>

**Figure 2**-table showing individualistic parts of Figure 1

### 5.1.2 CONCEPT DISCRIMINATION

The idea of having the concept open or to concentrate on a particular group or economic sector can best be explained and justified by the use of the following indicators:

#### GENDER

CPIA Gender equality is an assessment of the extent to which a country has installed institutions and programs to enforce laws and policies that promote equal access for men and women in education, health, the economy and protection under the law. The rating is done on a scale of 1 (low) – 6 (high). The World Bank estimates that Ghana has rather an average rating in as much as gender equality is concerned. With a constant score of 4/6 for the period 2005-2011, the country has only attained 67% of the desired standard for consideration as a gender equal state. The Gender Inequality Index (GII) reflects women's disadvantage in three dimensions of empowerment, labour market and reproductive health. It ranges from 0-1 (with 0 indicating that the men and women fare equally whilst 1 indicates that women fare as poorly as possible in the measured dimensions). This index was designed to reveal the extent to which national achievements in the aspects of human development are eroded by gender inequality and to provide empirical foundations for policy analysis and advocacy efforts. The health dimension is measured by two indicators: maternal mortality ratio and adolescent fertility rates. The empowerment dimension is also measured by two indicators: the share of parliamentary seats held by each sex and by secondary and higher education attainment levels. The labour dimension is measured by women's participation in the labour force. The International Human Development indicators calculated and released by the United Nations Development Programme calculate the index to be at 0.565<sup>4</sup> for Ghana meaning that women do not fare equally with men in the above measured dimensions.

The two indexes on women prove that women are not as empowered as they should be. Both just have an average range attainment. Collection of at least three quarters is considered closeness to achieving equality between the sexes. The level of fight against inequality in the country is still low.

<sup>4</sup> <http://hdrstats.undp.org/en/countries/profiles/GHA.html>

## EMPLOYMENT

The current unemployment situation affects mainly the youths. A youth is defined as being between 15-24 years according to UNESCO<sup>5</sup> and generally involves a category of persons that have completed compulsory education to those seeking their first employment. The 2012 African Economic outlook on Ghana<sup>6</sup>, records that unemployment statistics for the ages 15-24 is at 25.6% which is twice that of those between 25-44 years and three times those between 45-66 years. The population in Ghana is known as young and growing because youths make up to 33% of its composure. One of the key challenges that government faces is to engage these youths in some forms of skills training to increase their chances of employment as identified by the publication. One of the reasons for the high youth unemployment rate is given as the inability of the economy to generate sufficient employment opportunities.<sup>7</sup> Incubators and training centres have now been included among the many alternatives that the government has focused on. This is all in the view and hope that entrepreneurial minds are created to encourage self employment and subsequent growth of the private sector. However, the initiatives that the government brings about are seldom successful due to the heavy reliance on funding. Any non-payment of the funds leads to the total incapacitation of the facilities.

The idea of having an open concept that accommodates everyone is equally good because business ideas and creation can be generated from anyone. Empowerment is even better when it cuts across so many people so as to increase the likelihood of success. Opportunities occur to everyone regardless of the sex, age or economic activity.

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<sup>5</sup> <http://www.unesco.org/new/en/social-and-human-sciences/themes/youth/youth-definition/>

<sup>6</sup> <http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/PDF/Ghana%20Full%20PDF%20Country%20Note.pdf>

<sup>7</sup> <http://www.cepa.org.gh/researchpapers/Youth73.pdf>

#### 4.1.3 IMPORTANT STAKEHOLDERS

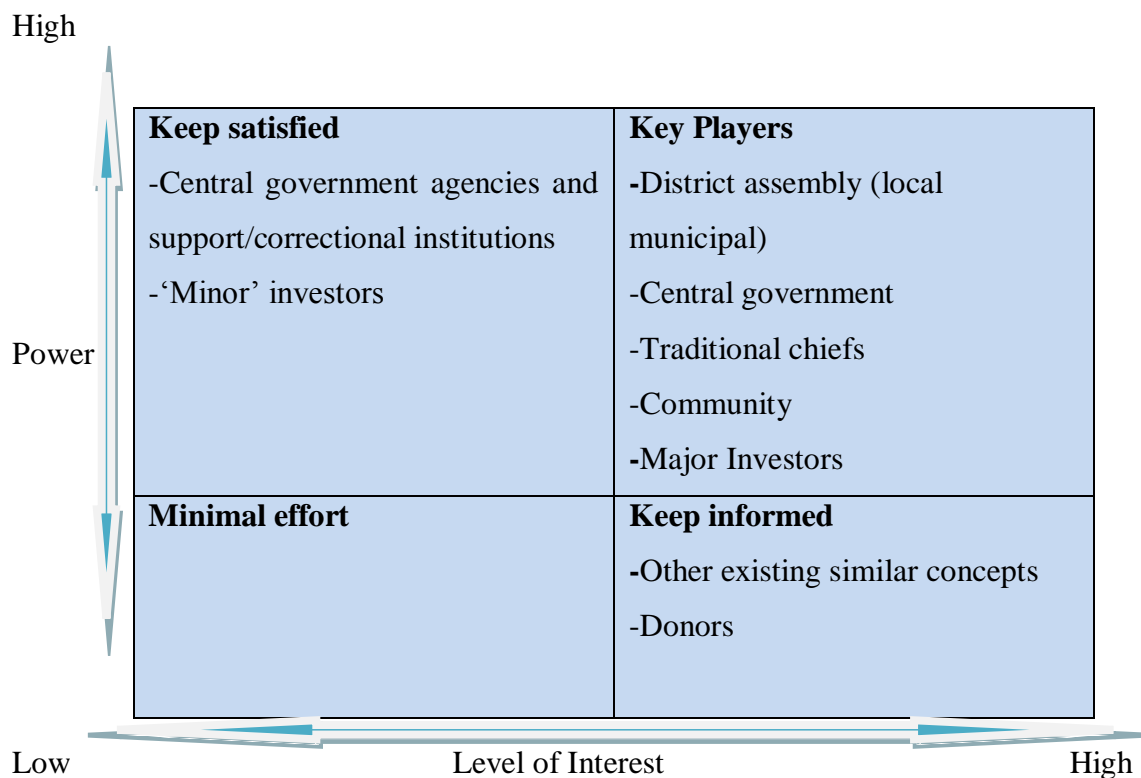
Stakeholders	Considerations	Calculation	Percentage
District assembly	12	12/49 by 100%	24.49%
Chiefs	6	6/49 by 100%	12.24%
NGO's	5	5/49 by 100%	10.20%
Schools (all levels)	4	4/49 by 100%	8.16%
Churches	3	3/49 by 100%	6.12%
Community	2	2/49 by 100%	4.08%
Governmental agencies	2	2/49 by 100%	4.08%
Existing similar concepts	2	2/49 by 100%	4.08%
Micro financing firms	2	2/49 by 100%	4.08%
Internship students	1	1/49 BY 100%	2.04%
Civil society	1	1/49 BY 100%	2.04%
River sand association	1	1/49 BY 100%	2.04%
Cattle farmers association	1	1/49 BY 100%	2.04%
Volta rice company	1	1/49 BY 100%	2.04%
Local Banks	1	1/49 BY 100%	2.04%
Other Business institutions	1	1/49 BY 100%	2.04%
Option leaders	1	1/49 BY 100%	2.04%
Hospital-Battor	1	1/49 BY 100%	2.04%
'not sure'	2	2/49 by 100%	4.08%
<b>TOTAL</b>	<b>49</b>		<b>100.00%</b>

**Figure 3**-table showing important stakeholders as given by interviewees in Phase 1

#### 5.1.3 IMPORTANT STAKEHOLDERS

From the experience on the ground as well as the respondents' direction, the following stakeholder analysis map can be drawn:

## STAKEHOLDER ANALYSIS MAP



**Figure 4** –map showing the stakeholder analysis

### 4.1.4 DESIRED OFFERING

Purported desired offering	Considerations	Calculation	Percentage
Training (including vocational training/skills/all business aspects)	14	14/37 by 100%	37.84%
Micro-finance	7	7/37 by 100%	18.92%
Not sure' (ask those to be served what they would want)	7	7/37 by 100%	18.92%
Start-up capital ( both material and financial)	5	5/37 by 100%	13.52%
ICT	2	2/37 by 100%	5.41%
Hostel/accommodation	1	1/37 by 100%	2.70%
Access markets	1	1/37 by 100%	2.70%
<b>TOTAL</b>	<b>37</b>		<b>100.01%</b>

**Figure 5**-table showing desired offering as purported by subjects in phase 1

#### 4.1.5 LOCATION

					Town						
Important factor			Aveyime (4206)	Adidome N/A	Battor (7856)	Ho N/A	Mepe (6141)	Sege N/A	Sogakope N/A		
Endorsements			2	1	6	1	2	5	4		
Falling in area of interest			Yes	Yes	Yes	No	Yes	No	Yes		
Existence of similar concepts			Yes	Yes	No	–	No	Yes	Yes		
Population			Low	High	High	–	Low	Average	High		
Economic activity			Low	High	High	–	Low	High	High		
Supportive stakeholders			Yes	No	Yes	–	No	No	No		
Secure location			Yes	Yes	Yes	–	Yes	No	No		
Ready availability of Infrastructure			Yes	No	No	–	No	No	No		
New district capital					Yes			Yes			
TOTAL POINTS			7	6	12	1	4	8.5	8		
Yes=1, No=0, High=1, Average=0.5, Low=0 and Each endorsement=1											

**Figure 6-** table showing analysis of location and input for phase 2

#### 5.1.5 LOCATION

As observed, from the points that each town accumulated, the best two towns had to be analyzed further for the ideal location of the concept. Battor was undoubtedly the first adoption. However, the security concerns surrounding Sege and Sogakope led to their consequent disqualification paving way for Aveyime. Hence, the final two towns adopted were Battor and Aveyime. The two towns are both currently under-going upgrades to urban/modern towns. The two towns were then used as inputs for second and third phases.

#### RURAL-URBAN

The Ghanaian population is evenly distributed between the Urban and rural areas. The rural population for the country in the past has is dropping. The World Bank indicates that the rural population for Ghana in the past has been<sup>8</sup>: 2009 (49.5%), 2010 (48.8%) and 2011 (48.1%).

<sup>8</sup> <http://search.worldbank.org/data?qterm=rural%20urban&language=EN>



The rural-urban imbalance is responsible for the reduction in population in the rural. The under-development and subsequent absence of opportunities in the rural areas have caused many people to migrate to bigger towns in hope of getting better life there. Locating the facility in a not typical city set-up may help reduce these recent developments in the places where it will be placed.

## **4.2 PHASE 2**

This phase was concerned with analysis of the two towns that were favoured by the preceding phase. From a readily available investment amount of €30,000 by Fair2, the best way to analyse the two areas is by use of basic estimated fixed costs in the first year of operation. The cost estimates are basic and exclude current costs (expenses).

(See APPENDIX 5 for the calculation used in Phase2)

### **4.2.1 AVEYIME**

The appealing possibility present in this area was a partnership with the existing similar concept which is into ICT empowerment and holds the following characteristics:

- Currently contains three free rooms.
- Owned by community through the local municipality.
- Rarely funded by district assembly and hence seeks funds from other organizations.
- Makes on average 150GHC/ week (approximately €60).
- Internet is supplied free to the facility because it is a local empowerment initiative.
- Expenses are generally up to 200GHC (approximately €80)/ month mainly through electricity bills and payment of an assistant.
- The manager only receives an allowance from the district assembly.
- If we partner, we won't pay any rent.
- If we partner, we will be allowed to make use of the existent infrastructure and facilities whenever we are carrying out training or operations.

-We are expected to add value by purchasing certain equipment that may be currently missing to make their operations fully effective (including photocopying machine and digital camera).

-The establishment holds a similar concept (with an available building) at Juapong, within Volta region but lack of funds has paralyzed the realisation of the concept. It is currently on hold and may be a major opportunity for Fair2 to expand operations once a good position is achieved.

(See appendix 1 for photos of the Facility)

#### 5.2.1 AVEYIME

The place was conducive for a partnership as the existing ICT centre was willing to partner. All what is needed is to add value to the existing facilities and includes purchasing a digital camera and photocopier to be used by the centre (as they are the urgently needed equipment). These may further be used by Fair2 together with other equipment once a partnership is formed. There is also present another similar concept that the manager is undertaking in Juapong (an economically active town within the Volta region) but the limitation caused by lack of funding has brought the project to a stand-still. This is a good opportunity that Fair2 can take up in the near future when rolling out and expanding its operations from Aveyime. Associated fixed costs amount to roughly 4450 Ghc (approximately €1800) in the first year of operations. The area has a sparse population with main activities being agriculture and petty trading. However, people are more inclined to conducting their affairs in Battor. The area is divided in town and outskirts. The town has a group of business proprietors that is currently receiving assistance from the rural bank in terms of micro-financing and business knowledge.

#### 4.2.2 BATTOR

The only alternative in this area was beginning from scratch due to the absence of a training centre. The only available buildings held the following specification and conditions:

Building	Image colour	Price	Capacity/Specifications	Conditions
A	Purple	600GHC Per month -No probability to purchase	4 bedrooms	You pay your bills

<b>C</b>	White	US \$2,500 per month -No probability to purchase	Conference hall and 6 rooms	You pay your bills
<b>D</b>	White	US \$1,500 per month -No probability to purchase	Hall and 3 bedrooms and kitchen	You pay your bills

**Figure 7** –table showing the renting prices of the buildings available in Battor

(See Appendix 2 for photos of the buildings)

### 5.2.2 BATTOR

Building A has a formality of a house as it was originally used as a house but vacated by the owner to attend to other businesses in other locations. Associated fixed costs for the first year of operation amount to an estimated 41975 Ghc (approximately €16,800) whilst 94775 Ghc (approximately €38,000) and 70775Ghc (approximately €28,400) hold in the same line for Building C and D respectively. Building A, C and D are currently not affordable as observed from the fixed costs that they might post in just the first year of operation. Starting from scratch also means establishing a company.

The city is more economically active and the district capital of North Tongu. The main activities are agriculture and petty retail trading. It also holds open markets twice a week. It has a hospital and numerous schools. It also has several groups that are meant to bring about edification of businesses. The most active and noticeable groups are:

\*The Dezor Susu Scheme: It is a micro-financing firm that consists of an estimated 200 members who are business proprietors. The members make weekly contributions (savings) to their own accounts. The aspect of consistency is cardinal to acquiring a loan. The average contributed over minimum of eight weeks is used to calculate the maximum one can get for a loan by multiplying it with fifty. The repayment is made over a fifty weeks period but with an interest of about twenty four percent. For ordinary savings, an interest rate of twenty percent accumulates annually. This is done to encourage savings and it is observed that over ninety five percent are participants for purposes of getting a loan.

\*The Keleki women's association: The women come together to share knowledge and encouragements and engage in trainings once in a while especially if it is funded. The women are involved in petty-trade especially that involving baking services. Members are at forty

five. The women usually are in sub-divisions in which they work together and encourage themselves including the revolving fund.

\*The Christian mother's women's association: All religious adult females meet to educate themselves on socio-economic development topics. Included are also males that are interested. Members come from different religious backgrounds and also include those in the above group. Members are at thirty-five plus.

The need for a building cannot be over emphasised in such a concept. Aveyime on that account is favoured as it offers the most cost efficient alternative and a building.

#### **4.2.3 TYPES OF COMPANIES**

The country's legislation contained in section 9 of The Companies Act provides the types of companies that can be formed in Ghana. These are:

Company limited by shares (Section 9.1.a) – have the liability of members limited to the amount, if any, unpaid in shares respectively held by them.

Company limited by guarantee (Section 9.1.b) – have the liability of its members to such amounts as the members may respectively undertake to contribute to the assets of the company in the event of its being wound up.

Unlimited company (Section 9.1.c) – not having any limit on the liability of its members.

The foregoing types can either be private or public (Section 9.2). Section 9.3 from a-d defines a private company and includes: limitation of shares if present; total members and debenture holders must not exceed fifty who have been or are actively employed by the concerned company; prohibition to invite the public to purchase debentures or shares. Section 9.4 states that any other company will therefore be a public company whilst section 9.5 orders that a company limited by shares and an unlimited company shall be registered with shares.

#### **5.2.3 TYPES OF COMPANIES<sup>9</sup>**

Companies limited by guarantee (Section 10.1 of The Companies Act of Ghanaian Law) may not be fully incorporated if the objective is to carry out business for the purpose of making profit. Section 10.2 clearly states that if section 10.1 is not followed, the involved members and officials shall be jointly and severally liable for the payment and discharge of all the debts and liabilities of the company incurred in carrying on such business. The company,

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<sup>9</sup> <http://ghanalegal.com/?id=3&law=17&t=ghana-laws>

every such officer and member shall be liable to a fine not exceeding five pounds for each day during which it shall carry on such a business. Section 9.6 states that such a company shall not be registered with shares and shall not create or issue shares. This is an ideal option for social ventures that want to run independently but as a company (including Fair2 in this regard). However, costs and processes may be cumbersome especially for a foreign organization as indigenous Ghanaians need to claim a spot on the Board. In the cases of Partnerships, only those that have a motive to make profit are required to undertake juridical procedures outlined in the Companies Act.

### 4.3 PHASE 3

Having identified the ideal locations, this phase was mainly concerned with capturing the interest of the would-be customers as well as the offering they desire most.

#### 4.3.1 INTEREST

	General (All respondents)	Youths	Women (Total females less female youths)
<b>Interested</b>	94 (90%)	24 (92%)	41 (95%)
<b>Not interested</b>	11 (10%)	2 (8%)	2 (5%)
<b>TOTAL</b>	105	26	43

**Figure 8**-table showing the level of interest in the business centre exhibited by interviewees

#### 5.3.1 INTEREST

The research findings indicate that 90% of the respondents were interested in the business centre. Narrowing the interested parties down reviews that 92% of the youths (15-24years) were interested in the business centre whilst 95% was recorded for the women (total females less the female youths). A woman is defined by UNESCO as a female past the child bearing age of 15 years. Different acceptable standards hold for different projects before their viability is concluded. But with such high percentages, interest is definitely proved. The top two reasons given for interest to participate are: to acquires skills and training and source for capital to start business.

### 4.3.2 DESIRED OFFERING

Financial services		
<b>Yes</b>	88/105 by 100	84%
<b>Participation</b>	76/88 by 100	86% of Yes
<b>No</b>	5/105 by 100	5%
<b>Not answered</b>	12/105 by 100	11%
<b>TOTAL</b>		100%

**Figure 9-** table showing the desire and willingness to participate in financial services of loans/micro-finance

Desire for Coaching/support		
<b>Yes</b>	<b>No</b>	<b>Not answered</b>
82%	3%	15%
86/105 by 100	3/105 by 100	16/105 by 100

**Figure 10-**table showing desire for training through coaching and support

Matching with other Businesses		
<b>Yes</b>	<b>No</b>	<b>Not answered</b>
85/105 by 100	3/105 by 100	17/105 by 100
81%	3%	16%

**Figure 11-**table showing the desire of respondents to be matched to other business

Desired Business Knowledge					
<b>Financial</b>	<b>Marketing</b>	<b>Business start-up</b>	<b>Business in general</b>	<b>Business knowledge</b>	<b>Not answered</b>
24%	18%	22%	13%	12%	11%

**Figure 12-**table showing the areas of business in which respondents desire training most in

### Facilities desired for working space

<b>Wi-Fi</b>	<b>Table and Chair</b>	<b>Table, chair and computer</b>	<b>Room</b>	<b>Venue for shop</b>	<b>Meeting room</b>	<b>Not answered</b>
11%	11%	21%	15%	17%	9%	15%

**Figure 13-**table showing the working space combinations desired by respondents

Extra facilities			
Drinks	Food	Shops	Not answered
28%	29%	24%	18%

**Figure 14**-table showing the extra facilities that are desired by the respondents

### 5.3.2 DESIRED OFFERING

As observed in the findings mainly as a lead from Phase 1, financial services are strongly desired (micro-finance/ loans) by the people. The people may have general business ideas but access to financing needed to start or expand a business is but a huge obstacle accompanied by the complex procedures and requirements needed to complete it. Further on, the high interest rates charged by banks and micro-financing firms are just another discouragement. It is important that people are trained on how to use money wisely especially after borrowing it and how they can best pay it back. Offering low or no interest based loans can be a great step to empower many people. If people are trained also on how to formulate viable and appealing business plans/proposals, financing can never be as difficult as it is currently. At least, a convincing lay-out on how funds will be used should be displayed before the financial aid services are granted. 86% of the respondents desired the business centre to offer financial services with 76% of them showing willingness to participate in loan/micro-financing programs. 82% showed willingness to undergo training (coaching and support). When it came to business aspects that the people desired training and knowledge in, Finance and Business start-ups scored the highest with 24% and 22% respectively. Extra facilities of food, drinks and shops are not the core and should not take centre stage. Moreover, opposite to the ICT centre in Aveyime is a restaurant which is one minute walk and can serve the participants. The issues of working space (office) were not fairly responded to mainly because 54% of the labour force is involved in informal economic activity in Ghana whilst the formal sector employs only 11.5% of the labour force. The informal sector already holds an estimated youth populace up to 22%<sup>10</sup>. This further explains why youths cannot easily get jobs in the formal sector. The highest desired work-area/space is that containing a computer, table and chair as it recorded 21%.

<sup>10</sup>

<http://www.africaneconomicoutlook.org/fileadmin/uploads/aeo/PDF/Ghana%20Full%20PDF%20Country%20Note.pdf>

### 4.3.3 CHARACTERISTICS OF THE RESPONDENTS

Educational standards for all respondents		
Primary	15%	12/105 by 100
Junior High School	10%	10/105 by 100
Senior High School	28%	29/105 by 100
Tertiary	30%	32/105 by 100
None	2%	2/105 by 100
Not answered	15%	16/105 by 100
Total	100%	

**Figure 15**-table showing the educational levels of the respondents

Business Knowledge for all respondents		
Yes	No	Not answered
57%	19%	24%

**Figure 16**-table showing the level of knowledge in business among the respondents

Business ownership (all respondents)		
Yes	No	Not answered
51%	35%	14%

**Figure 17**-table showing the level of general entrepreneurship among the respondents

	Business Language			
Yes	Understanding	38/105 by 100	36%	
	Fluency	23/38 by 100		61% of Yes
No	No	48/105 by 100	46%	
Not answered		19/105 by 100	18%	
TOTAL			100%	

**Figure 18**-table showing the Understanding and Fluency in Business Language

### 5.3.3 CHARACTERISTICS OF RESPONDENTS HUMAN DEVELOPMENT INDEX (HDI)

The United Nations Development Programme (UNDP) developed the HDI index in 1990 which is a summary measure of human development. It measures the average achievements of a country in three basic dimensions of human development. These are a long and healthy life (health), access to knowledge (education) and a decent standard of living (income). The Index was developed to emphasize that people and their capabilities (and not just economic



growth alone) should be the ultimate criteria for assessing the development of a country. It is indeed a valuable tool that can be used to question national policy and choices. The 2012 rankings placed Ghana at number 135 in the world. There is steady development in the index by the country as can be seen<sup>11</sup>: 0.391 (1980), 0.461 (2000) and 0.558 (2012)

## EDUCATION AND LITERACY AND ECONOMIC ACTIVITY

The ‘summary of final results for the population and housing Census’ released by the Ghana Statistical service in May 2012 indicate that: 71.5% of the country’s population aged 15 and above are literate against 70.7% in the Volta region and that 86.7% of the entire population aged 15 and above have attended school in the past against Volta region’s 80%. The report further on estimates the economically active industries that make up the economy of the country as well as that per region. The top three are as follows: Agriculture, Fishing and Forestry-41.6% against 50% in the Volta region; Manufacturing and Wholesale, retail, repair of motor vehicles and motorcycles-14.07% against 18.9% in the Volta region. The findings from the research equally post fair results for the region. If it is assumed that one can read and write after and during Junior secondary, then a total of 68% of the respondents can be said to be Literate. 57% have some form of Business knowledge whilst 51% were found to be having and operating a business. However, the topic of understanding and fluency in business language was carrying a very low percentage as only 36% said they fairly understood business language with 61% indicating fluency. The people in the Volta region especially the broader Tongu area are into Agriculture (which includes fishing and forestry) as a result of the Volta River and Dam that is abundant in the area. If a sector has to be chosen, Agriculture fits well in this region because of the large populace engaged with it.

## GINI INDEX

This is defined by the World Bank as ‘a measure of the distribution of income among individuals and households within an economy and how it deviates from a perfectly equal distribution’. The measure is made on a scale of 0 to 1 with 0 representing perfect equality whereas 1 represents perfect inequality. Projections indicate that for 2013, the figure will be 0.433<sup>12</sup>. The World Bank recorded that Ghana in 2006, had gini coefficient of 0.428<sup>13</sup>. This entails a reduction of -1.168% in the distribution of income in the last 7 years.

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<sup>11</sup> <http://hdrstats.undp.org/en/countries/profiles/GHA.html>

<sup>12</sup> [http://www.ifs.du.edu/ifs/frm\\_CountryProfile.aspx?Country=GH](http://www.ifs.du.edu/ifs/frm_CountryProfile.aspx?Country=GH)

<sup>13</sup> <http://data.worldbank.org/indicator/SI.POV.GINI?page=1>

From the Gini coefficient, an indication is given that inequality is relatively high in Ghana in as much as income distribution and consumption expenditure are concerned. However, the inequality further goes down to gender. The two indexes on women prove that women are sidelined and not empowered as they should be. Both income distribution and gender equality are just averagely achieved to what should be normal as they are both just above 50% attained. The other unattained 50% represents the inequality in the country.

#### 4.3.4 WILLINGNESS TO PAY FOR SERVICES

##### Willingness to Pay

Yes	No	Not answered
91 (87%)	0	14(13%)
Mode amount range answered (40-100 GHC) for training		

**Figure 19**-table showing the willingness to pay for services

Desired Payment structure							
Periodically	Daily	Weekly	Monthly	Quarterly	Yearly	% from Business returns	Not answered
2%	1%	2%	36%	5%	14%	2%	39%

**Figure 20**-table showing the desired accord in as much as paying for services is concerned

#### 5.3.4 WILLINGNESS TO PAY FOR SERVICES

The explaining of the concept especially that it requires money for it to be self sustaining was a major factor in making the respondents understand that they had to pay for the services to be provided. The aspect of operating on a mere break-even point for the concept was but another plus. 87% of the respondents expressed the willingness to pay for the services to be offered by the business centre with the highest figure of 36% desiring to make payments per month. However, an error was observed when it came to entering the actual amount they were willing to pay for which services. The blame can be placed on the structure of the questionnaire. If the most frequently amounts are grouped together, then category 40-100Ghc is the mode. This can further be ironed out by following Kotler (2002) who simply justifies his claim by stating that the pricing technique must be done in a manner that covers costs and the desired profit margin. Leaving the customers to decide the price is not a very effective way as there can be a wide variation because different people have different factors behind their motivation for the purchases they make.

## **6. RECOMMENDATIONS (SUCCESS FACTORS AND OTHER CONSIDERATIONS)**

### **6.1 VIABILITY AND PARTNERSHIP**

The Business centre carrying the stipulations provided by Fair2 (contained in APPENDIX 6) is viable only in a smaller version. The bearing is much on the enormous initial investment amount (likely not to be recovered due to low rate of returns) if the initial description is enforced.

The idea of starting independently in a new business environment is against the proper unwritten rules of doing business. It is only right that a partnership is embarked upon for the purposes of getting an understanding of the new business environment as well as avoidance of large initial investments. This entails partnering with the existing ICT centre at Aveyime. The training centre is ideal for starting the business centre concept desired by Fair2. Only that they will have to start with a smaller business centre so as to prevent large initial investments. (APPENDIX 7 contains the financial forecasts). The two groups that can further be partnered in the venture are: (a) Kekeli women's association and (b) Dezor susu micro-financing scheme. Both are at Battor and consist of small scale businesses. They will be of help in identifying the businesses that can work with our concept.

### **6.2 OFFERING**

Business training and financial services (micro-finance and loans) should be the core. The concept must be open even though women and youths must be priorities. In the later stages, a form of corridor concept must be used where different focus will be given on particular groups/ sectors per training session. This will increase the populace to be covered. However, groups should be encouraged. This is to encourage co-ordination and cooperation among members.

Matching of participants to a micro-financing firm (preferably one that will be willing to partner and has an objective to promote quality of life) can be used at the point when participants' demands will exceed the coffers dedicated to this venture by Fair2.

### **6.3 LOCATION**

The location must be that where traffic is heavy for easy identification and accessibility. The location of the ICT centre is good; it lies along the main road that links the town of Aveyime

to its neighbours. This will also make advertising much simpler. Advertising and promotion will be a key component in the growing of services that will be provided from the partnership. It is through these parts of marketing that participants can be drawn from surrounding towns.

#### 6.4 PRICING

Pricing must not be followed as answered by participants in questionnaires. There was a wide variation in the manner that they answered it, mainly as a result of nature of the question type. The question was open and not closed. Rather, prices must be in line with the appropriate cost-benefit analysis results. This gives 40Ghc (three weeks training) and 50Ghc (per month for office work area). See APPENDIX 7 for forecast with the respective prices.

#### 6.5 MANAGEMENT

There should be a management committee that must play the role of a board and must include at least five members from the most important stakeholders. It should hold meetings prior and after the commencement of the concept for purposes of brainstorming on ways that can guarantee effectiveness, efficiency and success from the centre. Such a concept requires an enthusiastic manager to co-ordinate the operations. One permanent manager is needed for the day to day operations. Members of the committee may include representatives from: Kekeli women's group, Dezor susu micro-finance, local assembly, major investors, a financial institution and the manager.

### BUSINESS PLAN SUPPLEMENT (FOUNDATION)

The feasibility report (if positive) must act as a basic foundation for a business plan [Matson, (2000)]. In the quest to formulate a business plan, the business model canvas can help to answer the most important components necessary to constitute a broad and acceptable business plan. It must be observed that the business model canvas is highly descriptive and holds no detailed arithmetical analyses. In this aspect, the following canvas answers the most important parts necessary to form a basic business model that might act as a foundation for a big and better one if need arises (See APPENDIX 4 for Business Model Canvas Map):

**\*Customer segments: This refers to people or organizations for which we are creating Value**

The concept is better when left open to give everyone a chance and also assess which groups or sectors are successful for purposes of continuity. As given by the indicators, I would stress that the women and youths be given priority. The existing micro-finance and women's groups

agreed to help identify the women and youths especially those that have small scale business to participate at the start of the programme.

**\*Value Proposition: For every segment, these are specific bundles that create value.**

1-Training - the participants should be trained on all business related topics including saving, investment, diversification and management. This will be a form of corridor concept offering with the same goal but different and customised offering per different session. The participants must also be helped to produce viable business plans after four weeks of training.

2-Financial assistance - lack of capital (both financial and equipment) is one among the various causes that are identified as a hindrance to start-ups and expansion in Ghana. Hence, a financial system with very low interest is attractive and must be incorporated in the overall program.

3-Networking- The participants will be helped to form networks with appropriate parties that may otherwise be helpful in their establishment and operations. Through the viable business plans that they will come up with, investors can also be channelled to the participants.

**\*Channels: These are the touch points for interactions with customers in creation of value.**

This will be done through and in the ICT Centre at Aveyime. The need for a building cannot be over emphasised.

**\*Customer relationships: The type of relationship created with customers on the purported touch points. Included may also be how new customers will be attracted and loyalty of existing ones maintained.** The relationship should be a personalised one that encourages face-to-face help and talk sessions. The participants upon completion must also be encouraged and motivated with a certificate of participation. A good offering can also unconsciously force the successful participants to advertise for us to their colleagues.

**\*Revenue streams: These are the structures from which the business will be capturing value.**

1-Donations - these can come from the people and institutions that are interested in the concept and would love to see it successful. This may also include multi-nationals that have operations in Ghana.

2-Payment for Participation- The arbitrary price currently reasonable must be between 40-100Ghc Ghanaian Cedi for a month of training.

**\*Key resources: This refers to the infrastructure for creating, delivering and capturing value.**

1-Human resource- We need at least one permanent employee as the manager. Trainers (volunteers) will also have to be engaged on part-time basis time after time.

2-Financial resource- This entails the amounts that have to be invested into the initial phases of the programme. However, the least amount is desired for the start and when success is guaranteed, huge amounts can be put in.

3-Physical resources- The initiative requires a building and equipment (at least four computers as well as training materials).

4-Intellectual resources- It is important that we guard the intellectual property aspects of the business. These will include possible patents and copyrights for our offerings. The registration of the partnership is also an intellectual property that we must safeguard.

**\*Key activities: These are essentially practices that guarantee good performance.**

1-Training- These will involve training the participants on basic but broad business aspects.

2-Financial and technical assistance- This will entail helping start-ups with viable business plans get established through capital provision. This means both in monetary and equipment terms.

**\*Key partners: This describes the parties that can help leverage the business model.**

These include:

1-Jolinaiko eco tours- As noted by one stakeholder, coordinator of the concept that empowers women-NEWIG (Mrs. Awity Mawusi), it is important that accommodation services are made available for periods of training especially for people coming from distant places. The lodge at Atsiekpoe can be of use in this sense. The tour company can also take the responsibility over our trainers and volunteers that have to travel around. This entails getting them from the airports (for foreigners) and showing them around if they so desire. This will foster empowerment for the locals with whom the tour company is engaged with.

2-District assembly and Community (through Aveyime ICT centre) - The centre has available infrastructure that can help us in the initial stages of the concept. They have three empty rooms that we can make use of, internet connection, ten computers, a printer and two competent employees. The district assembly chief for Adidome (and also in-charge of the newly formed Battor district) says we can begin there and if need be, build in front of the ICT centre. The facility and the land belong to the community.

4-Financial Institution (Bank or Micro-Finance) - The financial institution would be in-charge of acting as our bankers. This has to be one that understands social venturing and may be used to match with trainees in the event that the financial services (loans and microfinance) requested by them surpass the coffers of Fair2.

5-Dezor susu microfinance scheme and Kekeli women's group- consist of small scale businesses that come together for the purposes of enhancing their businesses. These will be used to identify the businesses that may participate in our training and empowerment program.

**\*Cost structure: The costs associated with the initiative**

These include: -Wages/salaries for the Manager - May also include wages for some trainers and the training materials.

## **THE IDEAL BUSINESS CENTRE**

Much insight can be gained from a fully operational business and entrepreneurial centre. An interview was conducted with the manager of 'CvJo' in Nijmegen (<http://nijmegen.cvjo.nl/>). The date of the meeting was on 11<sup>th</sup> July, 2013. The following points given by Koen Sieben certainly hold for an ideal business centre:

When you put entrepreneurs together, they automatically connect and make more of interactions and relationships. However, it's expensive to organise such a venue. One important person that can stimulate such interactions is the connector/manager of the centre. It is however important that the network is created before the building is discovered and the order to be followed is finding: Manager-Building-Funds. If this order is not followed, failure is inevitable. The initiative requires a lot of lobbying and patience. The economy can receive a gain if entrepreneurs are brought together more often. One factor that has to be established is the drive/motivation and willingness by the participants to be full-time entrepreneurs. The manager also requires an entrepreneurial mind and heart just like he is. It is also important to have the people involved and understand the concept and initiative. Ambassadors for the initiative are also needed. This may include local heroes that are natives of the countries where the concept is been applied or big companies that are enthusiastic about it especially those having operations from the country to host the initiative. Another important factor is marketing and financial. His centre currently has 15 entrepreneurs; he has served 21 so far and plans to reach 50 in the next 5 years. This shows that realistic and challenging targets must form part of the concept. There is no discrimination to who is admitted upon express of drive to be a full time entrepreneur. The participants are also required to pay a monthly fee. The concept received funding from the local municipality to see it through its first two years after which funding will be withdrawn. He is still weighing options which will make operations self-sustaining. The other external entities that he connects with are those that

share the same target group as him, like: chambers of commerce, network organisations and banks (because all start-ups need an account, the banks can then direct them to the centre to get help concerning their businesses). The centre is mainly identified by networks formulated by past/current participants. The entrepreneurs involved are mainly into the services industry. The in-office privileges are all for free/covered up in the monthly sums they pay. Entrepreneurs are challenged through sharing of manager's responsibilities and are encouraged to organise events for free (except for drinks and food). He stressed that traffic places are good for such a concept also that entrepreneurs want to interact with senior successful entrepreneurs. At least a year is ideal for testing such a concept according to him.

## **PROBABLE CHALLENGES**

The following issues may stand as challenges to the existing ideology and may require further investigation or deep brainstorming before the actualisation of the concept:

- The combination of more than two parties on a single venture maybe hectic especially in the event that roles expected from particular parties are not clearly defined.
- The motivation of the participants and ensuring that they are loyal to the program. In the case of women, certain traditions in Ghana still consider women as caretakers of the house, husband and children and not fit for any income generating operations.
- The criteria that will be used to come up with members of the management committee have to be in place and the conditions under which the committee will operate and also questions of who can be of value to the committee.
- The joining of the ICT centre is definitely not an easy one as the two concepts have two different core business and concepts. Synchronisation of the two maybe very essential as they share the same premises and possibly employees.



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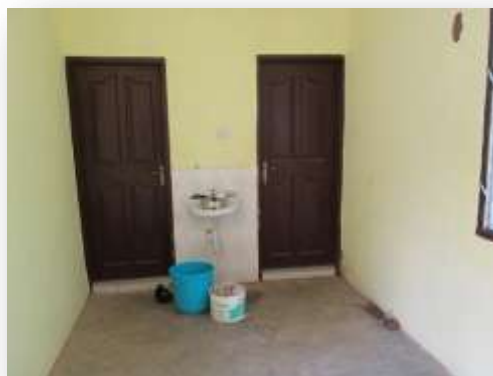
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## APPENDICES

### APPENDIX 1 (AVEYIME ICT CENTER)



## APPENDIX 2

### BUILDING A



### BUILDING C



### BUILDING D



## APPENDIX 3 (QUESTIONNAIRES)

### APPENDIX 3.1 (QUESTIONNAIRE FOR STAKEHOLDERS)



Questions for stakeholders

Name (institution or person):

.....

Contact details (phone # and/or email):

.....

-What are the levels of socio-economic development in cities within the area (Volta region)?

Education-.....

Illiteracy-.....

Business knowledge-.....

Poverty levels.....

-Are there any business incubators (centres or hubs) or entrepreneurship centres within the region? if present, how many and what speciality?

.....

.....

.....

.....

-Do you think the concept should discriminate? If yes, what can work well in the region?

.....

.....

What offering do you think would be most desired by the 'would be' clients?

.....  
.....  
.....

-What are the levels of entrepreneurship in the region?

.....

-Why are some entrepreneurs successful?

.....  
.....  
.....

-What are the legal alternatives for the possible formalities to the business centre? Which one is ideal?

.....  
.....  
.....

-What cardinal partners can lead to the success of the centre?

.....  
.....  
.....

-What inputs are crucial for this concept?

.....  
.....

-Would you be interested to partner in the initiative? Yes ☐ /No ☐

If yes, what level of partnership?

.....  
.....

-Is the region ready for such a concept? If yes, what city and why?

.....  
.....  
.....

## APPENDIX 3.2 (QUESTIONNAIRE FOR WOULD-BE-CLIENTS)

### Interview list Business Centre Fair2

1. Your details:

Name and telephone (if you like):

\_\_\_\_\_

☐ Male or ☐ female / Age:

\_\_\_\_\_

2. Would you participate as a client/member in a business centre? ☐ Yes ☐

No

Why? \_\_\_\_\_

### Your background

3. What level of education do you have? \_\_\_\_\_

\_\_\_\_\_

4. Do you have any business knowledge? If yes, what knowledge or experience?

\_\_\_\_\_

5. Do you have a business? If yes, what sector? \_\_\_\_\_

\_\_\_\_\_

6. Do you have an understanding for business language? Are you fluent in it? \_\_\_\_\_

\_\_\_\_\_

### Business centre creation

7. What knowledge would you love to acquire from the business centre? (more options possible, please cross all items you are interested in)

☐ financial

☐ marketing

☐ starting a business

☐ business in general

☐ business language

☐ others: \_\_\_\_\_

8. ☐ Would you want coaching/support? If yes-in which way? \_\_\_\_\_

\_\_\_\_\_

Would you be interested to be matched with other businesses? If yes-in which way/ whit which kind of companies/sector? \_\_\_\_\_

\_\_\_\_\_

## Facilities in the business centre

9. What kind of facilities for working space would you like? (more options possible, please cross all items you are interested in)

- ☐ Wi-Fi
- ☐ A table and chair
- ☐ Table, chair and computer
- ☐ A room
- ☐ A venue for a shop
- ☐ A meeting room
- ☐ Others: \_\_\_\_\_

10. What kind of extra facilities would you like to have in the centre? So that you will go there more often? (more options possible, please cross all items you are interested in)

- ☐ Drinks
- ☐ Food
- ☐ Shops
- ☐ Others: \_\_\_\_\_

## Costs

11. How much are you willing to pay for additional services?

- ☐ Wi-Fi: \_\_\_\_\_ Ghc
- ☐ work/office space: \_\_\_\_\_ Ghc
- ☐ meeting room: \_\_\_\_\_ Ghc
- ☐ others: \_\_\_\_\_ Ghc

12. Would you be interested to invest in the initiative? If yes, how much in time, knowledge and/or money? \_\_\_\_\_

13. What payment structure would you prefer to use?

- ☐ Periodically: ☐ daily, ☐ weekly, ☐ monthly, ☐ quarterly, ☐ yearly
- ☐ a percentage of the turnover from the business returns

Please explain: \_\_\_\_\_

14. Would you want other financial services of microfinance or loans to be provided by the centre? ☐ Yes ☐ No. Why?

\_\_\_\_\_  
\_\_\_\_\_



15. Would you participate in the financial services? If yes, which one?

---

### APPENDIX 3.3 (QUESTIONNAIRE-PHASE 2)

1. Is there any existing land that can be used to build the business centre, Yes/No

If yes:

- What is the cost of acquiring the land? .....

- What is the process of acquiring the land? .....

.....  
.....  
.....  
.....

2. Is there a building that might be used for the concept in this area? Yes/No

If yes:

-What terms apply with regards to rent/lease of building in this city? .....

.....  
.....  
.....

-What would be the cost of renting/leasing the identified building? .....

.....  
.....

-What would be the cost of purchasing the identified building? .....

.....

-If no:

-What would be the approximate cost of buying /renting a building for such a centre in this region? .....

3. In cases of partnership (i.e with an existing concept ONLY)

-Is there provision for expansion within your premises? Yes/No.....

-Are we going to pay rent? Yes/No.....

-If yes, How much? .....

-What is expected from either party in the partnership? .....

.....  
.....  
.....  
.....

Are we going to make use of your infrastructure? (Including buildings and machinery)?

Yes/No

If yes, specify and the terms henceforth .....

.....  
.....

## APPENDIX 4 (THE BUSINESS MODEL CANVAS)

<u><b>Key partners</b></u> * Jolinaiko eco tours *District assembly-North Tongu and Community through Aveyime ICT centre *Financial Institution *Traditional authorities *Kekeli women association *Dezor susu microfinance scheme	<u><b>Key activities</b></u> *Training *Financial and Technical assistance  <u><b>Key resources</b></u> *Human-at least two permanent employees-(manager and assistant) *Financial-Investment into the initiative *Physical-Buildings and training material *Intellectual-registration	<u><b>Value Proposition</b></u> * Training *Financial assistance *Networking	<u><b>Customer relationships</b></u> *Personal relationship with customers. *Certificate of participation *Advertising  <u><b>Channels</b></u> - ICT Centre at Aveyime	<u><b>Customer segments</b></u> *Open for everyone but with emphasis on: 1-Youths 2-Women 3-Small scale business
<u><b>Cost structure</b></u> * Wages for permanent employees * Research and Development *Up-keep for trainers and volunteers (may include wages/allowances for some trainers).		<u><b>Revenue streams</b></u> * Donations * Payment for training (40Ghc) for 3-4 weeks training.		

## APPENDIX 5 (ESTIMATED FIXED COST FOR BATTOR AND AVEYIME)

<b>ESTIMATED FIXED COSTS FOR FIRST YEAR OF OPERATION (IF STARTED FROM SCRATCH)</b>				
ITEM	Price/ item (Ghc)	No. of items		Total cost
		(units)	Ghc	(for whole year) Ghc
<b>Rent:</b>				
<b>Building A</b>	600 Ghc/month	12	7200	
<b>Building C</b>	US \$ 2,500 by 2/month	12	60000	
<b>Building D</b>	US \$ 1,500 by 2/month	12	36000	
<b>Computers (My Ebay Ghana)</b>	1000Ghc	10		10000
<b>Internet (NCS Ltd)</b>				
<b>registration</b>	US \$ 100 by 2 / year	–		200
<b>Unlimited use</b>	US \$ 45 by 2/month	12		1080
<b>Printers (Mega Electronic Ghana Ltd)</b>	105Ghc	3		315
<b>(3-in-1 domestic use)</b>				
<b>Photocopiers (Business Ghana)</b>	2000Ghc	2		4000
<b>Industrial multifunction</b>				
<b>Water bills</b>				
<b>Sachets</b>	1 Ghc/pack	520		520
<b>Filling in of tank manually</b>	5 Ghc	53		260
<b>Electricity bills</b>	583 Ghc/month (<300units)	12		6996
<b>Electricity foundation-Energy in Ghana</b>				
<b>Air conditioners</b>	US \$ 876 (by 2)	2		3504
<b>UnitedIcons Ghana</b>				
<b>Telephone charges (Vodafone Ghana)</b>				
<b>connection</b>	10 Ghc			10
<b>International roaming deposit</b>	120 Ghc	12		1440
<b>Tables and chairs</b>				
<b>Office tables and chairs (BusinessYo!)</b>	450	5		2250
<b>Basic Tables for training (local carpenters)</b>	50 Ghc	10		500
<b>Basic chairs for training (local carpenters)</b>	40 Ghc	50		2000
<b>Registration costs</b>				700
<b>Miscellaneous costs (buffer)</b>				1000
<b>TOTAL</b>				<b>34775</b>
<b>Adding rent prices:</b>				
<b>Building A = 7200 + 34775 = 41975; Building C= 60000 + 34775 = 94775; Building D=36000 + 34775=70775</b>				

<b>ESTIMATED FIXED COSTS FOR FIRST YEAR OF OPERATION IF PARTNERSHIP IS CONSIDERED</b>				
<b>Photocopier (Business Ghana)</b>	2000	1		2000
<b>Industrial multi purpose</b>				
<b>sets of Tables and Chairs for computers</b>	100	2		200
<b>(local carpenters)</b>				
<b>Digital camera (MyEbay Ghana)</b>	250	1		250
<b>Two computers (My Ebay Ghana)</b>	1000	2		2000
<b>TOTAL</b>				4450

## **APPENDIX 6 (BUSINESS CENTRE DESCRIPTION)**

### **Business Centre Fair2: Social Business Hub Ghana**

#### **Introduction:**

Reuben Chipenge, a student at Kofi Annan Business School in The Netherlands is doing research to check if people are interested in a Business centre or Social Business Hub in their region in Ghana. He is doing this for Fair2 Foundation in The Netherlands as an intern.

Fair2 is a social entrepreneurship, a foundation that develops 'fair services' in co-creation. Fair2's aim is to contribute to economic development and 'self-empowerment' in developing economies.

#### **Description:**

The social business hub, shortly SB-hub, is a place where people can meet, start their business and grow their ideas and business together. An example is The Hub concept, which already exists worldwide.

This SB-Hub should include:

- a place to meet and co-work, with internet and 10 computers and place for at least 20 person in total;
- 5 extra small offices or rooms, from where starters can start their business in an incubator environment;
- a room for training and coaching;
- a local high potential who can learn to run the centre and be host for the people who arrive there.

#### **Research:**

The research's main question is:

How and where could we start the SB-Hub in the broader region North Tongu (Volta region) in Ghana?

Sub questions:

- Are the people interested in this concept?
- Which city is best for this concept (Sege, Battor, Adidome).
- Which partners should we include?

## APPENDIX 7 (FINANCIAL FORECAST FOR FIRST 9 MONTHS)

			Forecasts (Months)				*Break-Even-Point				
		Provider/details	1	2	3	4	5	6	7	8	9
<b>Balance b/f</b>				-4310	-2920	-1580	-240	1100	2440	3780	5120
<b>Expenditure</b>											
<b>Rent</b>		(No rent as per conditions of the partnership)	–	–	–	–	–	–	–	–	–
<b>Wi-Fi</b>		(provided free to the centre)	–	–	–	–	–	–	–	–	–
<b>Computers</b>		(My Ebay Ghana----2 computers)	-2000	–	–	–	–	–	–	–	–
<b>Electricity</b>		(Shared bill, 50% each)	-60	-60	-60	-60	-60	-60	-60	-60	-60
<b>Water</b>		(Water sachets) 1Ghc	-50	-50	-50	-50	-50	-50	-50	-50	-50
<b>Table-Chair sets</b>		(Local carpenters, 2 sets)	-200	–	–	–	–	–	–	–	–
<b>Photocopier</b>		(Business Ghana)	-2000	–	–	–	–	–	–	–	–
<b>Salary for manager</b>			-500	-500	-500	-500	-500	-500	-500	-500	-500
<b>Trainer's allowances</b>		(Volunteers)	–	–	–	–	–	–	–	–	–
<b>Training materials</b>			-150	-100	-150	-150	-150	-150	-150	-150	-150
<b>Digital camera</b>		(My Ebay Ghana)	-250	–	–	–	–	–	–	–	–
<b>Revenue</b>											
<b>Pay-for-service</b>		(40Ghc----3weeks of intense training)	800	2000	2000	2000	2000	2000	2000	2000	2000
<b>Work-area rent</b>		(50Ghc----per month for work space)	100	100	100	100	100	100	100	100	100
<b>TOTAL (surplus/deficit) for the month</b>			-4310	1390	1340	1340	1340	1340	1340	1340	
<b>N.B All estimates are in Ghanaian Cedi</b>											