

Why organize?

More efficient. Less time is spent in confusion about what work needs to be done, when somebody needs to be somewhere, what promises were made, and where to find needed documents. (More time is spent *making money*.)

More responsible. Organized businesses have good reputations because they do what they say they will do. **Customers are loyal** because they trust the business.

Record-keeping supports growth. In times of change or growth, having written records for reference make sharing information easier and more accurate.

Easier access to credit. Lenders trust businesses that keep good records.

Better understanding, better control, better decisions. Organized businesses know how much profit they make, and why. It is easy to see problems or opportunities and respond with new strategies.



Millennium Challenge Account
Cape Verde



Ministry of the Environment,
Rural Development and
Marine Resources



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Organizing and Managing a Business



ONE IN A SERIES OF 5

Agro-Businesses

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Record-keeping

Original receipts are *very* important. **Always ask for a receipt**, and keep all of your receipts in a safe place.

When you spend money, a **purchase receipt** protects you in two ways:

- **Proves that you paid.**
- **Proves who you paid**, so you can hold the vendor responsible.

When you make a sale, you should make a **sales receipt**.

Together, purchase receipts and sales receipts are a **complete record** of all the money your business earns and spends. This allows you to check to **make sure that no money is lost** — that the money you have in your pocket is the right amount.

Even if you can't get or make a receipt, you should **record all transactions**.

Day-to-day records

For tracking money on a daily basis, use a **ledger** — a simple notebook in which you write a new line for anything you buy or sell.

Example ledger

You start with 10.000\$00 ECV and sell 10kg of carrots at 160\$00/kg. Write:

Date	Description	Qty.	Price	Total	Balance
8 Feb 2010	initial balance				10.000
10 Feb 10	sold carrots	10 kg	160	1600	11.600

The next day, you pay your water bill (which is **negative**, because it is money *spent*, not earned) and sell 30 kg of tomatoes. Add two more lines:

Date	Description	Qty.	Price	Total	Balance
11 Feb 10	paid water bill	18 ton.	30	-540	11.060
11 Feb 10	sold tomatoes	30 kg	250	7.500	18.560

Then you pay your workers. Again, it is money spent, so it is negative.

Date	Description	Qty.	Price	Total	Balance
12 Feb 10	paid for labor (2 workers x 3 days)	6 days	800	-4800	13.760

Because you update the balance on every line, **you always know how much money your business has**.

You can also **track inventory** with a ledger. Just write down quantities (in kilos, liters, etc.) instead of money amounts, and you will **always know how much product your business has**.

Schedules

It is important to plant, water, fertilize, weed, harvest, package, transport, and sell your product at the right time. Making a **daily schedule** can help you organize all that work, especially if you have workers.

2 ^a	3 ^a	4 ^a	5 ^a	6 ^a
8-12h: Zé prep nursery	7-11h: Miguel apply compost	8-10h: Zé irrigate 9h: João water nursery	7-10h: Miguel plant carrots	7h: everyone tomato harvest 11h: João go to market

As you can see, schedules are simple. Every week, write down everything your business needs to do. Say **who** will do **what**, and **when**.

Share the schedule with your workers. When everyone knows the schedule, everyone can be more responsible, and nobody forgets to do what the business needs them to do.

You can also **make a calendar** to do long-term planning. Write down when you will plant, harvest, pay off debt, and when boats are available for exporting products. A calendar can help you decide the best way to grow your business over time.