

# **Business Training Needs Assessment For DLD Owners in Ruvuma**

**Performed by  
MEDA Tanzania**

**For  
Management Sciences for Health  
ADDO Project**

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**Appendix A – Interview Sheet**

**Appendix B – Questionnaire Sheet**

# **Business Training Needs Assessment for DLD Owners in Ruvuma**

## **1. Introduction**

### **1.1 Background**

MSH, through the ADDO project, is committed to working with a selected group of Duka la Dawa (DLD) owners in the Songea region to improve the services that they offer the general public. One of the objectives of the project is to provide training to DLD owners in the area of general business development so as to help the businesses to become more profitable.

During April, four MEDA staff members accompanied MSH staff members to the Songea area and carried out a basic training needs assessment amongst a sample group of DLD owners. The results of the assessment are intended to be used by MSH for the following purposes:

- Provide MSH with simple baseline data to use for further project planning
- Highlight specific areas that a business training provider needs to target in terms of the training needs of DLD owners

In addition to carrying out a training needs assessment the staff also spent some time looking into the possibilities of establishing a credit facility in the Songea region as part of the services that the ADDO project can offer selected owners.

The four members of the survey team were the following MEDA staff members:

Team Leader:

Mr. Faustin Tarimo

Consultants:

Mr. Boaz Boaz

Mr. Damas Massawe

Mr. Martin Rovers

The staff members spent 3 days in Songea and during this time they interviewed a total of 46 DLD owners. Data was collected via a questionnaire that all owners filled out, and a face-to-face interview.

### **1.2 Summary**

The overall result of the research indicated that on the whole DLD owners possess a low level of business skills.

Areas that need special attention in terms of training include the following:

- Record keeping (basic book-keeping)
- Record analysis
- Business planning

- Inventory control
- General marketing

In addition the face-to-face interviews revealed that the majority of the owners are not capable of tracking monthly sales and expense figures, nor are they able to produce a basic balance sheet or income statement for their business. Generally owners were unsure if in fact their businesses were profitable or not.

## 2. Method

### 2.1 Interviews

The MEDA staff members attended a one day meeting between ADDO staff and the regional leaders followed by a two-day DLD owner meeting in Songea hosted by ADDO staff members. During the meetings, the staff members conducted individual interviews with 46 owners to test their general business acumen and understanding. A copy of the interview sheet used is included as Appendix A.

The average interview length was approximately thirty minutes. The results of these interviews were analyzed qualitatively.

### 2.2 Questionnaire

After each interview, the interviewee completed a questionnaire (see Appendix B). The questionnaire was designed to have the owners rate their ability in various skills and tasks and to ascertain the degree of importance that the owners put on these skills and tasks.

In addition to the owners ranking their skills, the MEDA interviewee also ranked the owner in the same areas based on the level of the understanding that the owner reflected in the specific area during the interview.

## 3. Results

### 3.1 Interviews

#### i) Background:

- The participants interviewed are all DLD owners in Songea Urban or Peril-Urban.
- The average age was 43 and varied between 26 and 66.

Age Range	21-30	31-40	41-50	51-60	61-70
Number	5	15	17	7	2

- 32.6 % of the owners were female (15 of 46).
- The average DLD has been open 4.2 years (s.d. = 2.7)
- On average 308 000 TSH (s.d.= 290 000) was used for start-up (25 responses).

- Only 15.2 % of Owners have previous business training (7 of 46)  
– generally 1 week VETA or PRIDE courses.

**ii) Skills Investigated:**

- Record Keeping/Financial Accounts
- Business Management – Planning, Marketing, Pricing
- Inventory Control
- Loan Management

**iii) Capabilities**

Record Keeping/Financial Accounts

- Prepare general ledger \*
- Total daily and monthly sales \*
- Some separate family and business expenses

Business Management

- Understand that good service attracts and keeps customers

Inventory Control

- Capable of tracking inventory \*
- Use current inventory levels as a basis for new orders\*

\* Skill is not at desired level

**iv) Identified Needs**

Record Keeping/Financial Accounts

- Keep basic records at desired level
- Analyze data – prepare a balance sheet or income statement and examine trends
- Properly track expenses – most consider cost of drugs their only expense
- Understand all the uses of records – some think they are just for tax purposes

Business Management

- Properly price products
- Track and plan cash flow and manage capital
- Use marketing to increase customer base
- Prepare a general financial plan

#### Inventory Control

- Properly value inventory
- Understand the reasons for tracking inventory
- Know about and how to access wholesale prices and delivery
- Understand the proper time to restock

#### Loan Management

- Understand financing methods
- Understand the necessity to spend loan money on income generating capital

v)

#### **Owner Input**

- All expressed a desire for training in all areas – there was an emphasis on business management and record keeping
- The majority of owners prefer a training program on consecutive days and indicated Songea as the most preferred venue

### 3.2 Questionnaire

Table one contains the results of the questionnaire. Forty six owners completed the questionnaire, with both the MEDA staff interviewer and the owner ranking the owners' ability in each skill or task, and only the owner only ranking the importance of each skill or task.

Table 1. Questionnaire Results

Skill or Task	Average Ability		Average Importance	NEED (Importance – Ability)
	MEDA Staff	Owner	Owner	Owner
1. Inventory Control	4.2	2.6	1.7	-0.8
2. Marketing – Increasing Customers	4.3	2.8	1.7	-1.1
3. Marketing – Satisfying Customers	3.9	2.8	1.8	-0.9
4. Marketing – Maintaining Customers	3.9	2.7	1.9	-0.8
5. Bookkeeping – Record Keeping	4.5	2.8	1.4	-1.3
6. Bookkeeping – Record Analysis	4.6	3.2	1.5	-1.6
7. Business Management – Planning	4.4	3.0	1.6	-1.3
8. Staff – Hiring	2.9	2.7	1.8	-0.9
9. Staff – Salaries	3.0	3.1	2.2	-0.9
10. Staff – Training	3.1	2.4	1.3	-1.1
<b>OVERALL AVERAGE</b>	<b>3.9</b>	<b>2.8</b>	<b>1.7</b>	<b>-1.1</b>

#### Ability

1=excellent  
2=very good  
3=good  
4=fair  
5=poor

#### Importance

1=extremely important  
2=very important  
3=important  
4=fairly important  
5=not important

#### Need

-2=very high need  
-1=high need  
0=need  
1=useful  
2=unnecessary

## 4. Discussion and Recommendations

### 4.1 General

It should be noted that the DLD owners surveyed were solely urban or semi urban based. Although rural DLD owners are expected to face their own unique challenges, it is not expected that their training needs are significantly different from the urban-based DLD owners.

The questionnaire responses confirm that the area of greatest importance and lowest skill set is in the area of **Bookkeeping – record analysis**, followed by **Bookkeeping – record keeping**.

These two areas were followed by **Marketing – Increasing Customers** and **Staff – Training**. The high ranking of **Marketing – Increasing Customers** reflects on the whole the low cash flow of most of the businesses.

Generally owners felt they had a good understanding of basic inventory control. This was a difficult area in which MEDA staff could rank, due to their inexperience in the medical field. It is expected that ADDO staff could give valuable insight into this area.

#### **4.2 Training Program**

Through MEDA's previous experience in business training and the information gained in this assessment, MEDA believes it is possible to address a number of the identified training needs in a basic five day training course. However it will be important that ADDO staff regularly follows up such training in order for it to be effective.

MEDA's training course will include the following general outline:

- Book keeping and general record (2 days)
- Financial tools i.e. cash-flow analysis etc (1 day)
- Marketing (1 day)
- Credit (1 day)

The training will include lectures, simple case study analysis, practical exercises, and role-plays.

### **5. Statement**

The business training needs assessment provided very relevant and important information for the training program. The training program should significantly improve the way DLD owners operate their businesses. After the training the owners should be able to successfully address business management problems affecting their drug store businesses in a professional manner. Problems of individual shops that cannot be addressed during the training will need to be addressed through follow up and monitoring visits.

## 6. Additional Notes

- ADDO staff need to emphasize that DLD owners accepted into the ADDO project do not automatically qualify for a loan. All owners must go through a business assessment by MEDA staff, and meet all of MEDA's credit criteria
- Some MEDA staff were concerned that there may be some political fall out if some owners (a number of which are Ministry of Health employees) were refused loans
- Most of the businesses appear to have a very low cash flow; this is especially a concern in terms of the ability of owners to repay loans. It is clear that the average loan size will need to be small. Because of the low cash flow loans will need to have a major focus on increasing working capital as opposed to infra structure changes.





How do you track your costs?

Do you determine your average monthly and daily sales?

How do you determine your average monthly and daily sales?

Do you keep business expenses separate from family expenses?

#### **Section Four: Business Management**

How do you set your prices?

What kind of people are your normal customers?

How do you attract new customers?

How do you keep your good, old customers?

How do you look for new market opportunities?

What keeps you from moving into new markets?

Who are your competitors?

How do you make customers choose your business over competitors?

Do you make new plans and goals each year?

**Section Five: Experience**

Have you received any previous business training? Details?

**Section Six: Inventory and Quality Control**

Do you know what your inventory is?

Do you have records of your inventory? What kind of records?

How frequently do you count your stock?

How do you store your products?

How often do you order new products?

### **Section Seven: Input**

Do you think you need training?

In what areas do you think you need training?

Would you prefer training to be on consecutive days or separate days?

If separate, how often? Once a week? Twice a week?

Would you travel for training? How far?

## Appendix B - Questionnaire

Please indicate your ability in each skill or task and how important you feel that skill or task is to your business.

<b>Skill or Task</b>	<b>Ability</b>	<b>Importance</b>
Inventory -Ability to keep not too much stock and not too little	1 2 3 4 5	1 2 3 4 5
Marketing -Finding ways to increase the number of customers	1 2 3 4 5	1 2 3 4 5
Marketing -Ability to satisfy customers	1 2 3 4 5	1 2 3 4 5
Marketing -Keeping old, good customers	1 2 3 4 5	1 2 3 4 5
Bookkeeping -Keeping good records	1 2 3 4 5	1 2 3 4 5
Bookkeeping -Analyzing your records	1 2 3 4 5	1 2 3 4 5
Business Management -Planning ways to make your business grow	1 2 3 4 5	1 2 3 4 5
Staff -Deciding who to hire	1 2 3 4 5	1 2 3 4 5
Staff -Deciding how much to pay staff	1 2 3 4 5	1 2 3 4 5
Staff -Training staff	1 2 3 4 5	1 2 3 4 5

Ability

1=excellent  
2=very good  
3=good  
4=fair  
5=poor

Importance

1=extremely important  
2=very important  
3=important  
4=fairly important  
5=not important

**Jina:**

Onyesha aina ya ujuzi na utaalamu ulionao katika jedwali hapa chini na kama unafikiri ni muhimu katika kuendesha biashara yako.

<b>Ujuzi au Utaalamu</b>	<b>Uelewa</b>	<b>Umuhimu</b>
Bidhaa -Kujua kiasi cha bidhaa kinachotakiwa, zisiwe nyingi kupita kiasi au zisiwe kidogo sana.	1 2 3 4 5	1 2 3 4 5
Utafutaji masoko -Tafuta mikakati ya kuongeza idadi ya wateja wako.	1 2 3 4 5	1 2 3 4 5
<b>Utafutaji masoko</b> -Uwezo wa kukidhi mahitaji ya wateja wako.	1 2 3 4 5	1 2 3 4 5
Utafutaji masoko -Kuendelea kumiliki wateja wako wazuri wa zamani.	1 2 3 4 5	1 2 3 4 5
Utunzaji kumbukumbu za mahesabu -Utunzaji mzuri wa kumbukumbu	1 2 3 4 5	1 2 3 4 5
Utunzaji kumbukumbu za mahesabu -Kuchanganua kumbukumbu za mahesabu	1 2 3 4 5	1 2 3 4 5
Mpango wa fedha -Kupanga namna ya kukuza biashara	1 2 3 4 5	1 2 3 4 5
Waajiriwa -Vigezo vya kuajiri	1 2 3 4 5	1 2 3 4 5
Waajiriwa -Kuamua viwango vya mishahara	1 2 3 4 5	1 2 3 4 5
Waajiriwa -Mafunzo kwa waajiriwa	1 2 3 4 5	1 2 3 4 5

Uelewa

1=Vizuri sana kabisa

2=Vizuri sana

3=Vizuri

4=Wastani

5=Isiyoridhisha

Umuhimu

1=Muhimu sana kabisa

2=Muhimu sana

3=Muhimu

4=Muhimu wastani

5=Hakuna umuhimu