

Credit and loans for small businesses

A PILLARS Guide

by Isabel Carter



Partnership in Local Language Resources



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small businesses**
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Introduction to PILLARS Guides

These guides are designed for use in small group situations where one or more people are literate and confident enough to lead others in group discussion. They aim to provide material for discussion around a subject either in isolation or as part of a regular group meeting; for example of farmers, literacy trainees or Mothers Union members. Ideally just two or three pages should be used each time, allowing plenty of time for discussion of the issues raised and for carrying out some of the practical ideas suggested. No training is first necessary for the discussion leader.

PILLARS Guides aim to increase confidence among group members, so that they can successfully manage change within their own situation without the need for outside intervention. They try to build on existing knowledge and experiences among the members or within their community, so that different ideas can be tried out, adapted, and then either abandoned if not useful or appropriate, or found useful and adopted.

Objectives of this guide

- To gain an understanding of a variety of ways of obtaining either credit or loans
- To establish good practice in record keeping and planning
- To study the issues involved before establishing either informal savings or credit groups or obtaining loans from outside organisations

Anticipated outcomes

- Groups enabled to gain understanding and confidence in managing their resources and finances effectively
- Appropriate officers to be appointed within groups supported by relevant skills training in record keeping and accounts
- Local groups encouraged to establish systems of micro-credit which are appropriate to their needs and resources, either with or without outside intervention

Glossary of difficult words

accountable	responsible or answerable to others
advertising	making customers aware of a product
aim	broad, long-term, important goal
credit	money available as a loan
debt	owing money to an individual or bank
evaluate	to study or measure the significance of some action after it has happened
expenses	money paid out for services and goods
export	the transport of goods or products for sale in other countries
inflation	a rise in general prices throughout the whole country
interest	a charge made for borrowing money
loan	the temporary use of a sum of money usually with an interest fee payable
micro-enterprise	small businesses usually run by one person
NGO	non governmental organisation
objective	measurable activity which contributes towards achieving the main aim
profit	money which remains after all costs have been taken away from income
resource	something needed to achieve an objective: money, information, human skills or natural products
revolving credit fund	a sum of money made available as a short term loan to members of a savings group who take it in turn to have the loan
savings	money put aside for the future, usually in a bank where it may earn interest

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Dreaming dreams

- Most people have dreams of what they could do if they had enough money. They may dream of how they might use the money to start a small business.
- How would you use a loan of \$50 or of \$200?



Discussion

M1

- Encourage participants to discuss their dreams and consider what would be required. In small groups encourage people to learn about the hopes of others in their groups, and then share them with the whole group.
- Do some share the same idea? Suggest they get together to talk things over more.

The problems of credit for the poor

- Obtaining a loan from a bank is very difficult if you are poor. Officials will need evidence of your skills in reading, writing and managing money. They will also need evidence of how much property you have in case you cannot pay back a loan. Often women cannot obtain bank loans unless in their husband's name.
- What experiences have you had in dealing with banks?



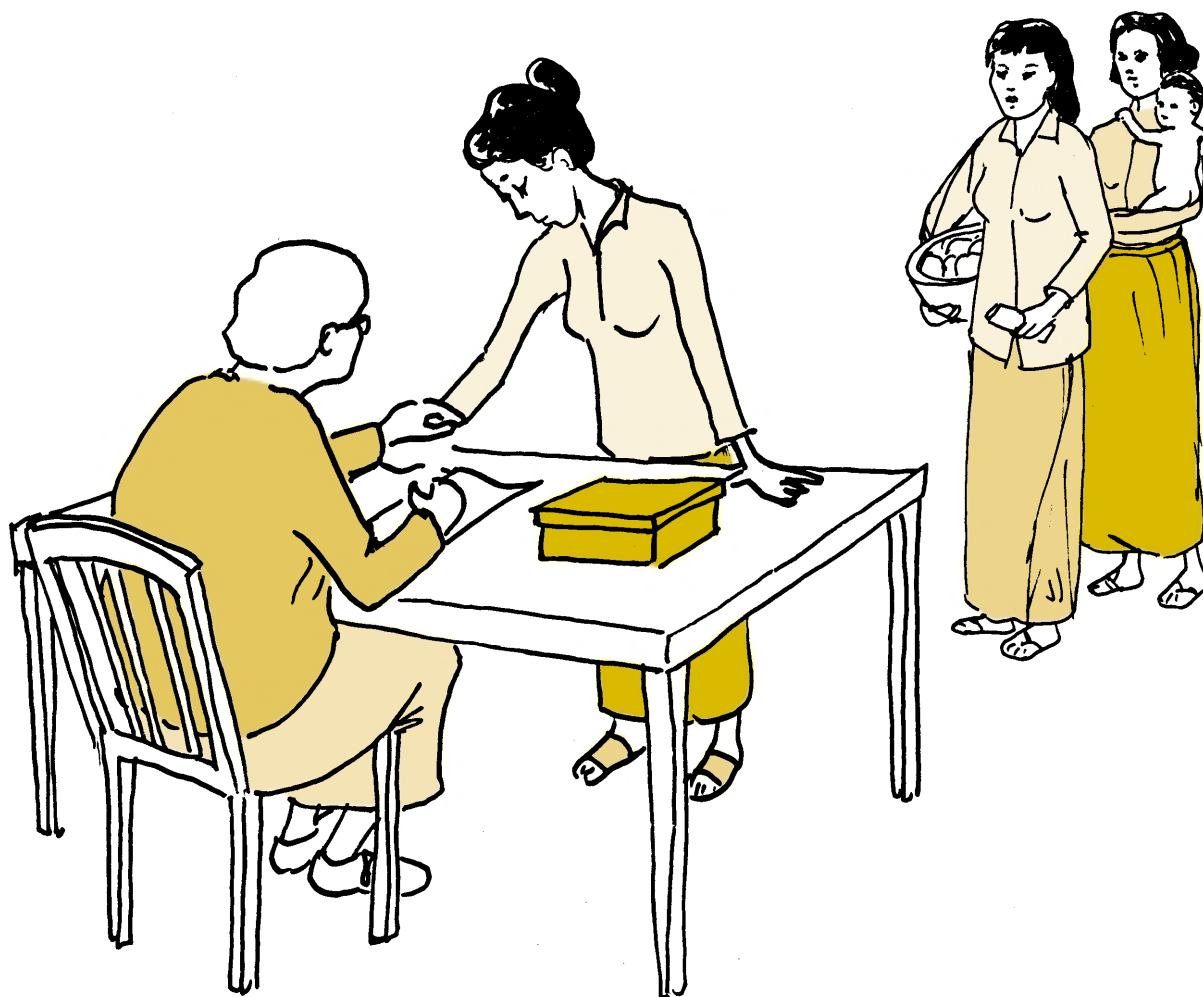
Discussion

M2

- Encourage participants to share their own experiences. Have some people met with problems in trying to obtain a loan? What kind of problems were these? Have they been able to overcome them?
- Have some people been successful in either opening bank accounts or obtaining credit? If so, why? What different kind of bank accounts have they used or found out about – for example, savings accounts, loans accounts, credit accounts.

Self-help credit

- By forming a group, people with no access to outside credit can help each other with credit. A group of about 15 people, meeting regularly, could agree to bring to each meeting either a small amount of money or an agreed amount of crop or fruit produce for sale. Each group member would take it in turns to take all that week's money or produce.



Discussion

M3

■ Even this simple system which needs no bank account or training, still needs certain things to succeed. What might these be? Encourage participants to make suggestions. Here are some examples of what needs to be considered:

- *People will need to trust each other to bring regular payments.*
- *They will need to decide in advance what to do about those who miss their payments.*
- *What will they do for example about group members who fall ill, cannot pay but need money urgently?*
- *How will they decide the order of who gets the loan?*

Revolving credit groups

- The advantage of groups using this system of revolving credit is that no outside help is needed. They are simple to run and can often be added to the ongoing work of a group such as Mother's Union, a farmers' group, a health committee etc.
- However they will provide only small amounts of credit. How can such groups encourage saving in order to provide larger amounts of credit?



Discussion

M4

- What existing groups are already established locally where revolving credit could be introduced?
- Encourage participants with experience in revolving credit to discuss both the good and bad points they have experienced.
- How can the work of revolving credit groups be expanded? What might the dangers be?

Working together to raise income

- If no outside income is available, small groups can agree to work together to raise income for micro-enterprise (or other purposes). A certain time each week or month or season could be set aside – for example, to grow vegetables, to process foods or to produce crafts.
- Consider any ways of working together like this which might raise income. Is there an outsider who might bring useful ideas, suggestions, advice or training?



Discussion

M5

- Careful record-keeping from the beginning is very important, not just to encourage confidence among group members, but also because it may help to obtain an outside loan in the future. Why might this be?
- Money earned from working together can be put into a savings account, after expenses have been paid. Where might the money be put?
- How will members know who has saved what amount?
- How can members be sure that their money is looked after in a trustworthy way?

Savings clubs

- Savings clubs may encourage members to save a small amount of money regularly to use for a special purpose. Members may all save for the same event, such as making a visit together or establishing an income-generating project. Members may also save individually, for example for a wedding or for Christmas celebrations.
- Simple savings clubs depend on an honest and reliable Treasurer.



Discussion

M6

- Discuss how establishing a savings club could be added to the regular activities of any group.
- What experiences do members have with savings clubs? Have these been positive or difficult experiences?
- How should the funds of a savings club be looked after?

The role of Treasurer

A Treasurer may have many roles. He or she needs to be:

- trustworthy
- able to keep careful records of all money paid in – as contributions, fees or sale of produce, and of all money paid out – as loans, or expenses
- able to look after the group's money wisely
- able to manage the bank account (if one is opened) and keep cash in the bank for safety
- confident in reporting back to members on the group's finances
- able to advise the group on the best ways to use their funds.



Discussion

C9

- What sort of training or experience might be needed for a Treasurer? Where might this be available?
- What should group members do to make sure the Treasurer is fully accountable to them?
- What help and support might a Treasurer need in carrying out their work?
- Are there other qualities which would be useful in a Treasurer. Which of the roles mentioned do participants think are more important? Can you rank them in order of importance?
- Women make better Treasurers? Discuss this statement. Do participants agree with it?
- **ROLE PLAY**

A group decide to collect a certain sum of money from each member every meeting. They chose a Treasurer who has no experience in keeping records. At the next meeting some members pay in full, others pay half and say they will bring the money later. Others forget. Later the Treasurer cannot remember clearly who has not paid in full and argues with them but soon gives up. When she is asked at the meeting how much has been raised she makes up a sum because she is unsure. People are angry that there is not more. Some accuse her of taking money and ask why she has a new dress.

What will happen to this group?

Keeping careful records

- Study this group's records. What can you learn about the amounts they have agreed to pay in each week? What happens if members are away?
- How much do they give out to members each week? Why do you think this is less than the members normally pay in each week?
- How do they earn more income as a group?
- Discuss what you think they should do about Florence.

NAME	17/2/00	24/2/00	2/3/00	9/3/00	16/3/00	23/3/00	Easter	6/4/00
Margaret	200	200	200	200	200	200	-	200
Njino	200	Absent	400	200	200	200	-	400
Anna	200	200	200	200	200	Absent	-	200
Gloria	200	200	200	200	200	200	-	Sick
Florence	200	200	Sick	200	Sick	Sick	-	200
Musema	200	200	200	200	Away	400	-	300
Hannah	Away	200	400	200	200	100	-	
TOTAL	1200	1200	1600	1400	1000	1100	No Meeting	1500

INCOME		EXPENSES	
17/2/00 Membership	1200	17/2/00 Payment to Musema	1200
Sale of tomatoes	150	24/2/00 Payment to Hannah	1200
24/2/00 Membership	1200		2400
Sale of tomatoes	220	2/3/00 Payment to Margaret	1200
MONTHLY TOTAL	2770	Tomato seed	100
2/3/00 Membership	1600	9/3/00 Payment to Njino	1200
Sale of onions	200		
9/3/00 Membership	1400		



Discussion

M7

- Emphasise that this is just one example of a very simple method of record keeping. Is there other information participants think should be added?
- Emphasise the need to discuss problems before they happen:
 - *What can be done if members stop paying regularly but still want a loan?*
 - *What happens if members are sick or in trouble?*
 - *How can the group protect themselves against a member who is one of the first to receive the credit and then leaves?*
 - *How can a group protect themselves from future difficulties such as drought leading to a poor harvest?*

Opening a bank account

- Once any group begins to save money, it is important to open a bank account so that the money is kept safe from theft or loss. Two people need to sign each cheque as well as the Treasurer. These people must be able to write their names and must be trustworthy.



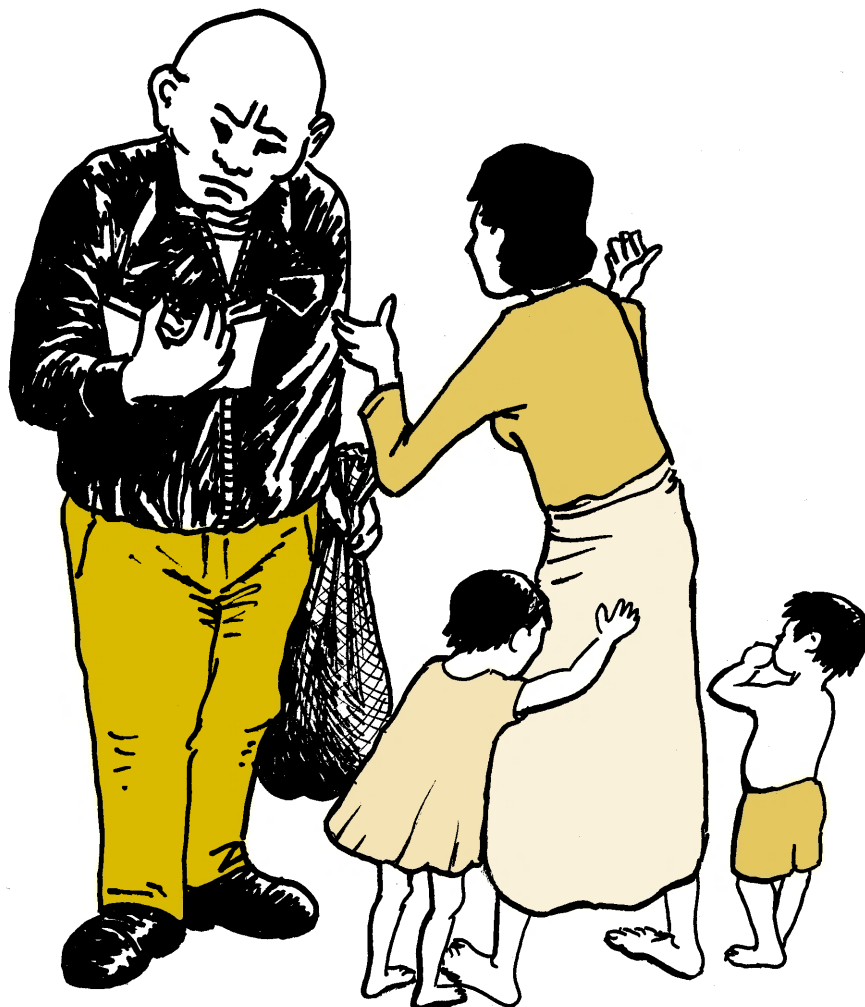
Discussion

M8

- A bank needs to be sympathetic to the aims of the group and willing to let them open a joint account. If a group has kept good records, these may help reassure officials of the reliability of the group.
- New groups may find it helpful to get advice from someone who already has a bank account, or from an NGO. These people may be needed to give a guarantee to the bank. Can people suggest such individuals?
- It is useful if the bank is nearby so that deposits can be made regularly. Find out about bank charges before opening an account. If there is a choice, find out about the different rates of interest available and choose an account that gives higher interest as long as payments and withdrawals can be made regularly.
- If inflation is very high, there may be little point in saving money in a bank account as it will just lose its value. In what other ways could groups invest their money? For example, could they purchase building materials or kitchen equipment that could be resold?

Obtaining loans from money lenders

- When poor people without savings need money quickly, for events such as illness, family funerals or weddings, they usually turn to a local money lender for a loan.
- Money lenders are usually well known, easy to approach and often do not ask for any guarantees before giving a loan. However, the rates of interest they charge are usually very high indeed. Repaying a loan may push a family further into poverty and debt.



Discussion

M9

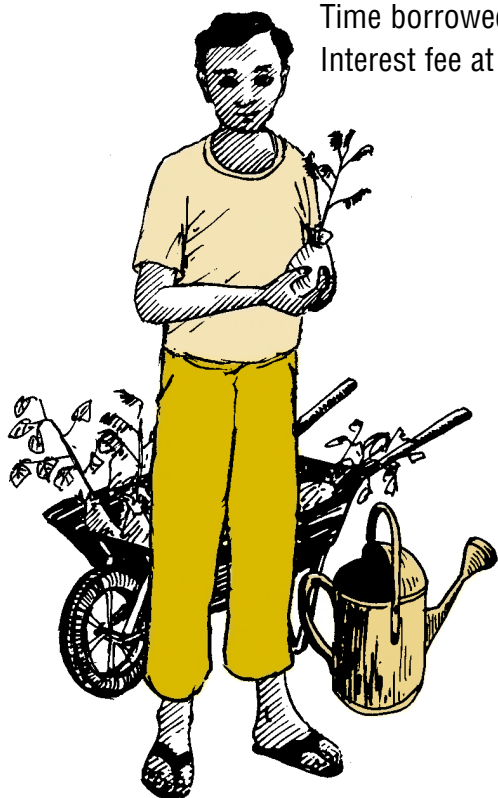
- Are there other advantages of using local money lenders? Are there social pressures which make it difficult for people to obtain money from elsewhere?
- What are the disadvantages of using them? What alternatives do people have?
- Discuss people's experiences with money lenders. Are there examples of people who have become trapped by debt which continues to grow? They may be forced to keep borrowing more to pay back previous loans from money lenders.

Obtaining loans from informal savings groups

- Groups with a well established savings system may be able to make loans available to members. When loans are made, it is usual to charge interest. Many groups find that 10–15% interest will cover the costs involved.
- The money raised from interest payments should cover the costs of record keeping and banking and the rest should be invested to cover any loans that are not repaid (through death, sickness etc).
- At the beginning it is a good idea to make only small loans. Once people have successfully repaid several smaller loans, they can usually be trusted with a larger loan.

Peter – tree nursery

Loan	\$50
Time borrowed	2 years
Interest fee at 12%	\$12



Mary – producing palm oil

Loan	\$50
Time borrowed	6 months
Interest fee at 12%	\$3



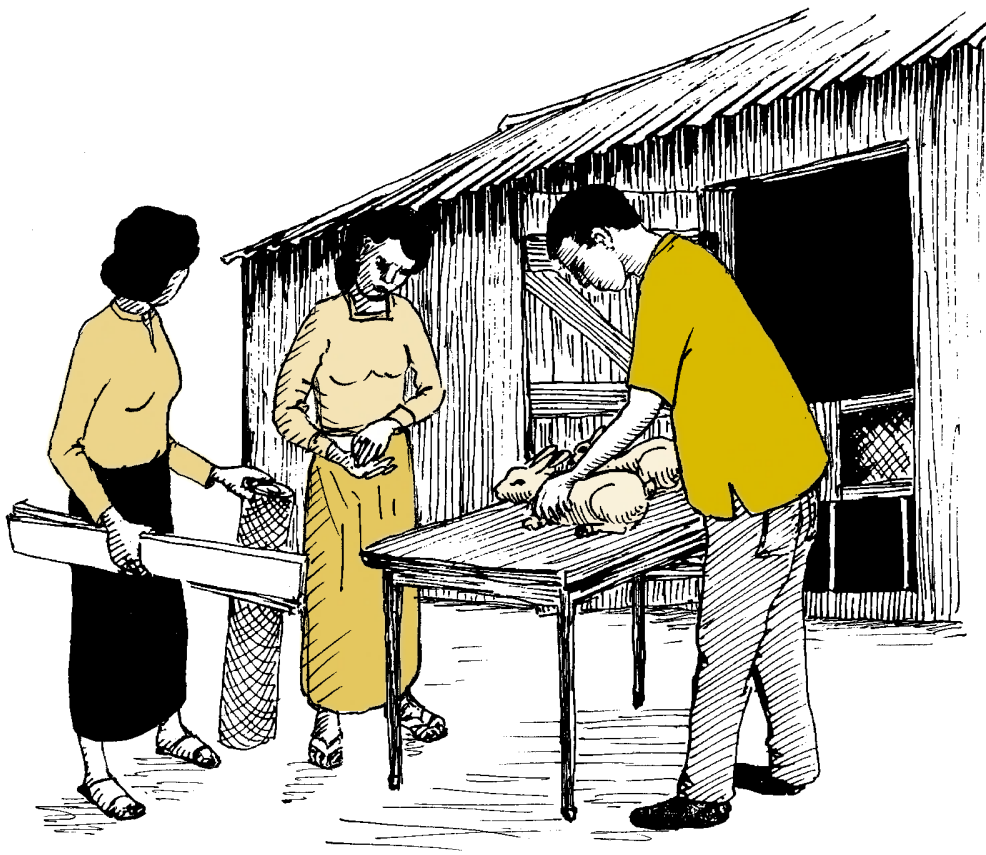
Discussion

M10

- Discuss the reasons behind interest charges. Compare these suggested charges with those of local money lenders.
- For example, Peter borrowed \$50 to buy equipment for a tree nursery. He was allowed a year before starting to repay the loan and then had to finish the repayments within two years. Interest charges were 12% each year – \$6 a year. His total repayment was \$62 so he paid back \$5.20 each month during the second year. He raised this money from the sale of fruit trees.
- Mary borrowed \$50 to make palm oil. She bought palm nuts from the market, processed and bottled the oil, selling it quickly in the local market. She paid back her loan after only six months in full, paying just \$3 in interest charges – a total of \$53.
- Encourage members to discuss the implications of making such loans available and whether there is any training available locally.

Safeguards suggested for making loans

- Group meetings, discussion and support can be of great benefit when planning new ways of raising money. A majority of members should approve the idea. Listening to good advice at the beginning is likely to result in successful repayment and increased self confidence.
- Money in itself is unlikely to make a difference unless well used. Careful planning is needed which considers likely costs, markets and profit.
- With money in the hand it can be very tempting to spend some on clothes or food. Family members may demand some of the money for other purposes. It may be helpful for other group members to help with purchasing the planned items as soon as a loan is taken out, to ensure the money is used as planned.



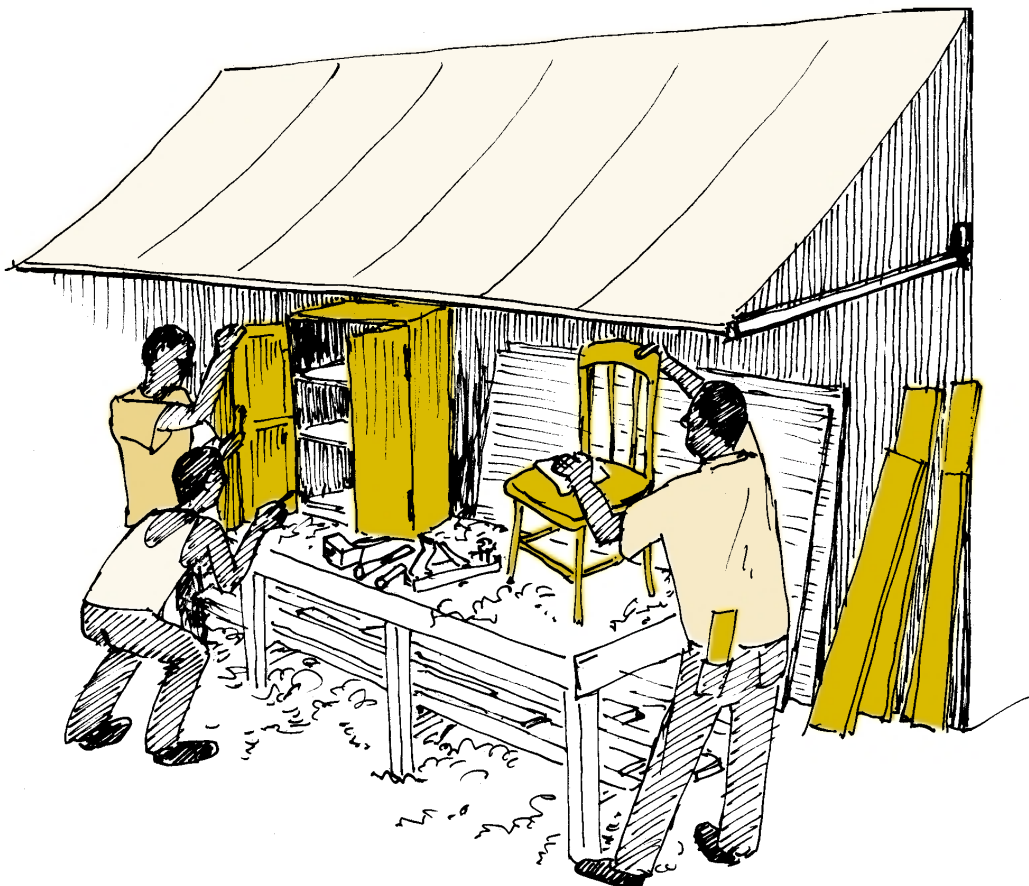
Discussion

M11

- Discuss some suggested ideas for raising money, such as rabbit keeping, baking, bicycle repairs, drying fish or making straw mats. What should people consider for each idea suggested? This should include:
 - *costs of raw material, tools or animals*
 - *rent of space*
 - *time to produce and sell items*
 - *local competition*
 - *likely profit.*
- Discuss any concerns around how to help members spend their loan wisely and safely.

Group security with loans

- Taking out loans as a group has a lot to recommend it. Each group member is responsible for making sure other members help to repay the loan. If someone does not pay, other members will want to know why. Groups can usually obtain larger loans, making it possible to buy more expensive equipment or raw materials.
- When problems arise, the group members can discuss them and are more likely to find solutions by working things out together. However, things may also go wrong and relationships become difficult.
- If a member becomes ill, other members may be able to help cover their payments until they recover.



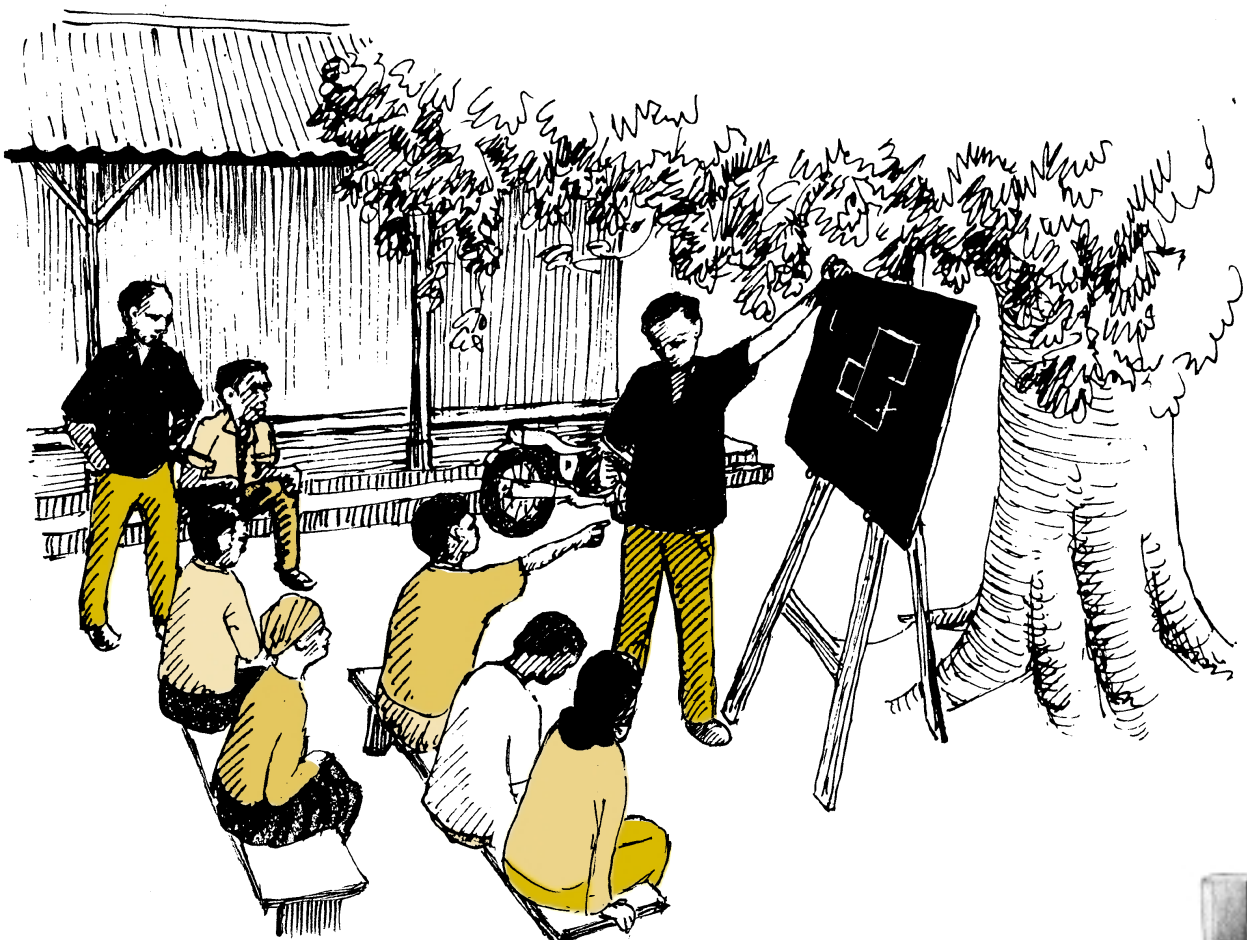
Discussion

M12

- Encourage discussion of the advantages and disadvantages of individual loans and group loans. Do participants know of real examples?
- How well should members of such a group know and trust each other?
- What would people do if a person wanted to join but others were suspicious of them or didn't like them?
- What might happen if members argue or no longer want to work together?
- Encourage participants to list the advantages of obtaining a group loan. These could include:
 - *Ability to buy more expensive equipment than as individuals.*
 - *Working together is usually more enjoyable and more productive than working alone.*
 - *If one member cannot make their repayments for good reasons, other members may be able to help.*
 - *Successful repayments will give a group self confidence and encouragement for future plans.*
 - *Relationships within the group may develop into real friendship and trust.*

Obtaining credit from outside organisations

- An increasing number of NGOs are able to provide credit for micro-enterprise. If you are fortunate to live near, then you may be able to benefit from their training, advice and credit schemes.
- Careful, clear records kept by members of revolving loan, savings or credit groups will make obtaining a loan much more likely. Evidence of savings will also increase the chance of obtaining a loan.
- Many NGOs are likely to prefer making loans to established groups rather than to individuals.



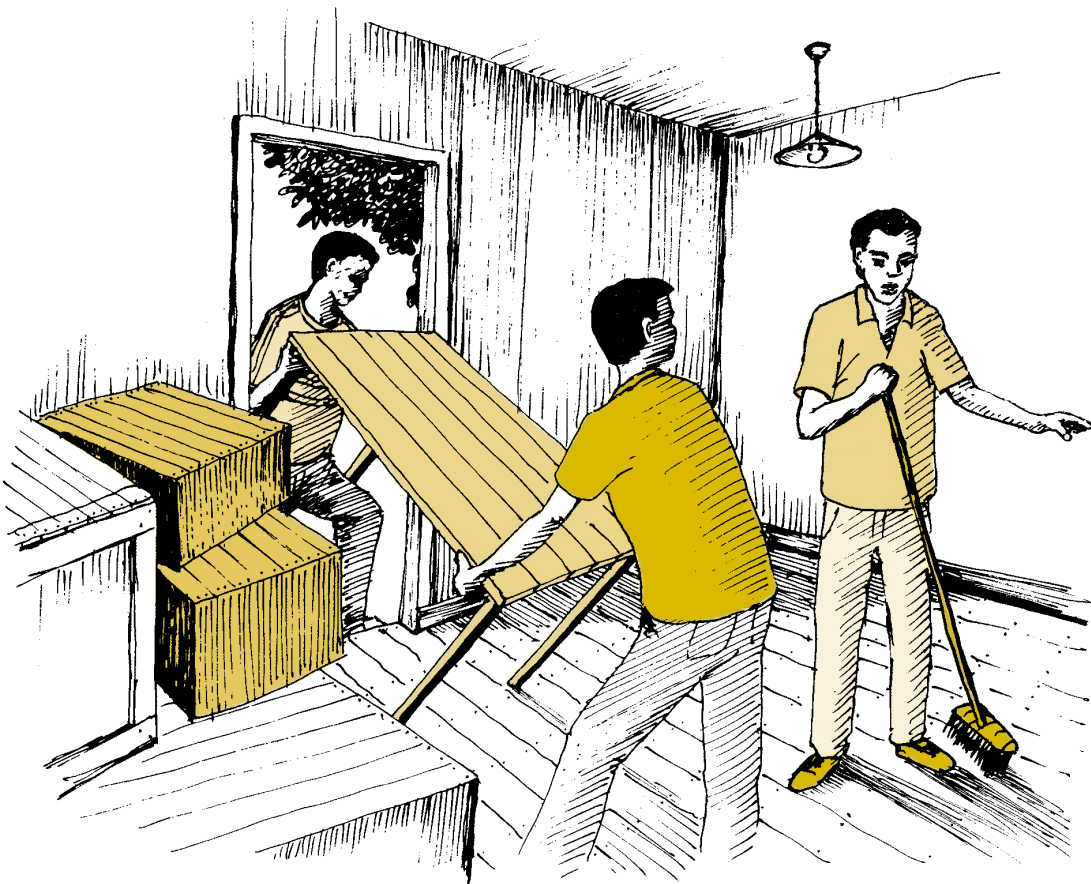
Discussion

M13

- Are people aware of any organisations offering loan or credit schemes which operate in the area? What has been people's experience of their activities and conditions?
- It is not recommended that churches or pastors take responsibility for credit and loan schemes. The church cannot both provide support for people in difficulty and be responsible for demanding loan repayments. It is better for local Christians to manage a credit scheme and report to local churches.
- Encourage people to discuss this and share any experiences.

Setting up in business

- Micro-enterprises which supply goods or services that local people need and that have an easily available market, are more likely to be successful. Ideas should be new rather than setting up in competition with existing enterprises.
- Consider what facilities, equipment and labour will be needed. While it is sensible to start small, it is also useful to allow some space to be able to grow and increase production without needing to move immediately.
- In addition to obtaining a loan or credit, what other legal structures may be required? Will the enterprise need to be registered officially? What is the situation regarding tax? If food products are involved, will the enterprise need a hygiene inspection? Is the equipment reliable and safe for workers?



Discussion

M14

- How can new ideas be developed? What household products are always needed but could be produced slightly differently? These could include bags, mats, brooms, food products, cooking equipment or lights.
- Who else is making such products? How could you vary what is produced? Consider new ideas, variations, colours and different uses even for everyday things.
- It is usually better to start with making products which use locally available materials and tools so that you don't need too much money to start with.
- Is there any useful training available? Are there skilled individuals you could learn from? Are there courses available?

Market research

Before supplying products or services, first find out if enough people will want to buy them. Find out what people really think, what they would like and what price they might pay – before you start producing goods. Never make products and then hope you will be able to sell them. You will need to learn about:

- What products are popular and in demand?
- What is the likely selling price?
- How many are likely to be sold in a day or a week?
- Who else is making the same or similar products?
- Where are they selling their products?



Discussion

M15

- What problems may come from relying just on the advice of friends who want to be encouraging? Where should people go to make these enquiries? Should people look just at the local market or it is useful to travel to nearby towns?
- What kind of questions should be asked? Who should ask them? How many people should be questioned for their advice? How seriously should such information be taken?

Managing small businesses

- The key to success is to understand what customers want and then produce it in ways which allow a good profit to be made.
- Costs must be measured accurately and should include every part of the business, including borrowing a friend's vehicle, wastage, replacing equipment and power charges.
- $\text{PROFIT} = \text{SALE PRICE} - \text{COSTS}$
- Profit can be increased in two ways. Firstly by increasing the sale price – if the goods are of such high quality or interest that people will pay more. Secondly, profit can be increased by reducing the costs of production – for example through buying larger quantities of raw materials or through reducing waste.



Discussion

M16

- What kind of costs could easily be ignored when working out the real cost of producing goods?
- How can people keep their business money separate from their personal money? For example, money from a recent sale may make people feel rich and be used for personal needs. Money owed to a supplier or needed to buy raw materials may be used to buy food for the family. A simple solution is to use a separate pocket for business money.
- Should all profits be kept for personal use? Or should some be invested to build up the business? It may be best to decide what you can afford to take from the business as a salary and take only that.
- If someone already has a small business, how could a loan help them to improve their profits?

Controlling the quality of goods

- Once you begin to produce goods, it is very important to check the quality at all stages. Customers will want value for money and will not continue to buy poor quality goods.
- Make sure that all your workers understand what quality of work is expected and make checks without warning.
- Buy safe and tested raw materials and use dry and pest-free storage.
- Customers notice high quality goods and your reputation will increase.



Discussion

M17

- Consider a few examples of locally produced products. For example these could be bags, cooking equipment, processed foods or vegetable oil. For each example, how do customers decide which are good quality?
- Will it matter if one or two items are included that are not such good quality?
- What could be done if the work of one reliable worker is always of poor quality because they fail to improve their skills – even though their children will suffer if they lose their job?

Marketing your products

- New products will only sell if customers are aware of them. Think of ways of telling customers. Could you interest market traders to promote your products in a way which also benefits them? Could you use local radio or newspapers? Could you design posters?
- It is usually better to produce goods for a local market. In this way, many costs of production can be kept low. Money will not be needed for transport, fewer goods will be damaged and feedback on sales will be immediate. It is also much easier to build up a reputation for good quality products within the local community.



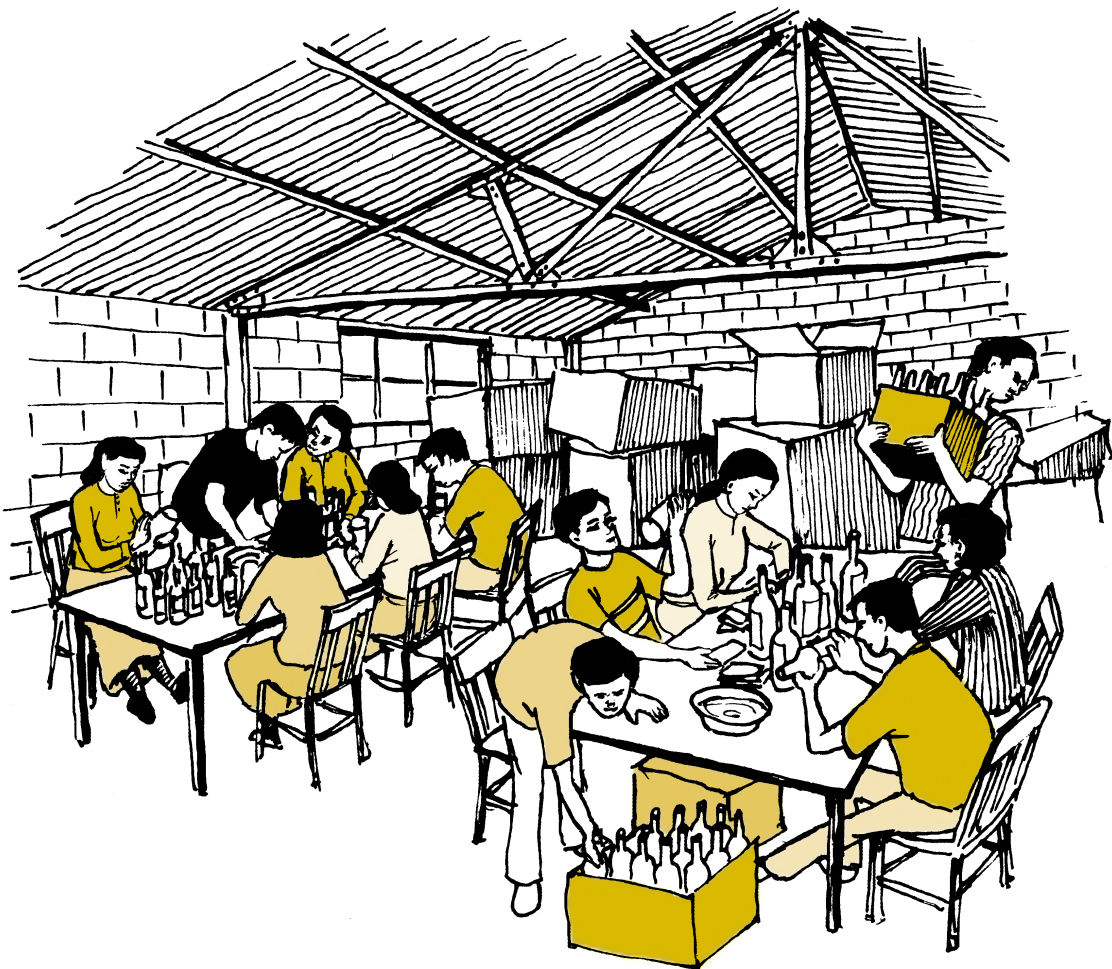
Discussion

M18

- Initially it may be worth spending some money to tell people about your new product. However, a new business may have required a great deal of investment so money is likely to be very short. What are the advantages and disadvantages of spending more money on advertising? How much would be appropriate to spend? Would it be a useful investment?
- Some ideas of places where you could consider targeting advertising are schools, health centres, markets, shops or cafes. Think of some examples of products available locally. Consider some appropriate ways of advertising in these or similar places. How could you make it worthwhile for the staff in these places?

Multiplying the benefits

- Most small businesses are run by one person with others helping. Sometimes a product may prove really successful and the business begins to grow. However, it is useful to consider whether this is a good idea.
- Will the local market be large enough to provide enough customers or will transport be needed to reach other markets? Will demand continue long-term?
- Larger production is likely to mean employing more people, training them and managing them. It will mean more detailed account keeping. Is this what you want?



Discussion

M19

- There is a well known saying – ‘Small is beautiful.’ Can this ever be true in business? Discuss the advantages and disadvantages of either staying small or growing larger to meet demand.
- Growth usually means one business taking on more workers and increasing production. However, it could also mean the business agrees to split with several linked businesses working together to meet the demand. Do participants know of any examples of this happening. What would be the advantages? What might be the disadvantages?

Learning from experience

- Few small businesses start up and are an immediate success. Success may only come through the experience of many failures. Developing new ideas can be painful and many changes may first be required. Always try out new ideas in a small way, preferably alongside existing goods which already have a market.
- Remember that sometimes it may not be necessary to change the product, just to change the way you sell it. Try different ways of displaying products, new labels, new wrapping materials, different sizes, different combinations. If sales of fresh fruit are poor, try drying fruit and packaging it or making it into fruit juice. Try cleaning up bottles of palm oil and designing a bright new label.



Discussion

M20

- How many people have tried out a new idea and been discouraged because it failed?
- Share the stories. As a group, you may be able to suggest other ways the ideas could have been developed.
- Think of everyday products that are used locally. Can you think of better ways of presenting them – for example, different colours, labels, packaging or sizes?

Benefits to the community

- One group of people within a community who have learnt to work well together can provide a real encouragement for others.
- Their experience and confidence-building can be shared. People with new skills can train others. They can provide employment. People able to earn extra income will be more likely to buy locally produced foods or services.
- Successful small businesses may also encourage others to start, sometimes through example, sometimes through sharing practical help – such as buildings or vehicles.
- They can encourage young people to see that it is possible to make a living without leaving their communities to find work in large cities.



Discussion

M21

- Are people who have made a success of a small business willing to share their experiences? How can this be encouraged?
- What are the dangers of trying to copy the same business as someone else?
- Do participants have any examples of how one successful business idea encouraged others to begin in the same community?
- Just as successful ideas may help others to grow, what happens when businesses fail? Is that likely to have an impact on other businesses? What can be done about this?
- What happens within a community if one person or one family is able to make a real success of a small business enterprise? Does this lead to problems and resentment? How can this be avoided?

Producing goods for export

- While the local market should be the first priority, sometimes it is worth considering other markets – either in nearby towns, large cities or overseas. High value, lightweight crafts, good quality dried fruits or unusual food products are all examples of goods that may benefit from finding markets elsewhere.
- Several producers may find it worthwhile combining their efforts and working as a cooperative – making either similar or the same products – to meet the needs of large commercial orders.



- At what point should producers begin to look for other markets?
- Exporting goods usually requires the capacity to produce huge orders on an exact date just once or twice a year. What difficulties could this cause?
- Is there anywhere producers can turn to for advice about markets in large towns and cities. What kind of market research might first be needed?
- Exporting goods or foods overseas requires the use of all kinds of legal documents such as hygiene inspection certificates, export licenses and customs clearance papers. What are the implications of this? Is there anywhere people can go for advice?
- Here are some useful contacts for people wishing to sell their goods overseas:

The Centre for the Promotion of Imports from Developing Countries (CBC)

PO Box 30009, 3001 DA Rotterdam, The Netherlands

Fax +31 10 4114081

Tearcraft

100 Church Road, Teddington, Middlesex, TW11 8QE, UK

Fax +44 208 943 3594

Traidcraft Exchange

Kingsway, Tyne and Wear, NE11 0NE, UK

Fax +44 191 4822690

Ten Thousand Villages

Archana Handicrafts, 704 Main St, PO Box 500, Akron PA 17501-0500, USA

Bible studies

These Bible studies are designed to use in small groups. They may provide a useful introduction to a meeting where different topics from the Guide are being discussed. Choose a study that will be linked to the topic you plan to study or that is relevant to your situation. During the studies, encourage people to reflect on what they read, to discuss the meaning and the implications of what they learn and, finally, to pray together about what they have learnt.

Revelation 22:13 'I am the Alpha and the Omega, the First and the Last, the Beginning and the End.'

BEGINNING

BIBLE STUDY 1

Hope

Genesis 1:1 'In the beginning God created the heavens and the earth.' ... from nothing, by his word.

All of us at times dream dreams. There are things that we long for, but sometimes they seem impossible to achieve – so unlikely that thinking about them depresses rather than inspires us. We do not have much hope; we feel unable to change our circumstances.

Read Romans 5:1-11. In this passage we hear how a hopeless situation is turned upside down by God's love demonstrated to us through the death of his Son.

- What words can you find in this passage to describe what we were before Christ died for us? (verses 6, 8, 10)
- What do we now have through Jesus? (verses 1, 2, 5, 9-11)

Even our sufferings produce perseverance, character and an unfailing hope because of the love God has poured into our hearts by his Holy Spirit (verses 3-5). It is hard for a poor person to obtain credit and for a person who has very little, to imagine how they might provide more for their family or improve their situation.

Now read again Romans 5:10. Romans 8: 32 also tells us: 'He who did not spare his own Son, but gave him up for us all – how will he not also, along with him, graciously give us all things?'

- What do these two verses mean to you?

BIBLE STUDY 2

Advice

Read 1 Kings 12:1-17. Solomon has died and Rehoboam, his son, has gone to Shechem to be made king. Jeroboam, who has been promised by God that he will rule ten of the tribes of Israel (1 Kings 11:31), returns from Egypt where he had fled for fear of Solomon.

- What do Jeroboam and the people of Israel propose to Rehoboam? (verses 3-4)

Rehoboam takes three days to consider this proposal and get advice. Before we make decisions and take action, we should listen to the people we are serving and seek advice from those with experience and wisdom.

- What advice does Rehoboam get from the elders who had served Solomon? (verses 6-7)
- Rehoboam rejects this advice and goes instead to the young men who have grown up with him. What do they advise? (verses 8-11)

Israel and Judah have been united and ruled as one kingdom by Saul, David and Solomon in succession. Rehoboam follows the young men's advice: his harsh answer to the people of Israel leads to the split of Israel and Judah.

The Bible tells us that good advice is very valuable; for example in Proverbs 12:15; 13:10; 15:22. Of course, the very best advisor or counsellor is God himself, Father, Son and Holy Spirit (Isaiah 9:6, John 14:16-17; Romans 11:33-34). However, it is of no value getting good advice if we are then unwilling to follow it.

- Can you find ways to listen and respond more to those you serve?
- Are you taking the advice of wise people and, most especially, God himself?

BIBLE STUDY 3

Counting the cost

Read Luke 14:25-33. Jesus here gives us two practical examples of the need to plan thoroughly before beginning a course of action.

- What might happen to the person who begins to build something without properly estimating the cost? (verses 28-30)
- What could a king do if, having considered the strength of the opposing army, he decides he is unlikely to win the war? (verses 31-32)
- Have you considered carefully all the costs such as finance, time and other resources, that will be needed for the projects you are considering?

- If your project seems unlikely to succeed after this analysis, do you have any other options?

Jesus uses these examples to warn us that before we begin anything we should consider fully and carefully what it is going to cost us.

- What does Jesus say is the cost of following him and being his disciple? (verses 26, 27, 33)
- What does this mean in our daily lives?
- Do you believe it is a cost worth paying?

BIBLE STUDY 4

Making good plans

- What is wrong with the plans of the people in these Bible passages?
 - Genesis 11:1-9, especially verse 4
 - Jeremiah 22:13-17
 - James 4:13-17
- We may make many plans in our hearts, but whose plans take priority (Proverbs 19:21) and who needs to build the house if the labour is not to be in vain (Psalm 127:1)?
- How careful have you been to check that your plans are in line with God's purposes?

Proverbs 16:3 'Commit to the Lord whatever you do and your plans will succeed.'
- Have you made sure that there is no injustice in what you are doing and no exploitation of others?

Jeremiah 22:16 'He defended the cause of the poor and needy, and so all went well.'

CONTINUING

BIBLE STUDY 5

Sharing

Read Acts 4:32-37. This passage describes a very successful 'cooperative'. Verse 34 tells us 'There were no needy people among them.' What helps it to work?

- Verse 32 'All the believers were' (what?)
- Verse 32 'They shared' (what?)
- Verse 33 'They testified to' (what?)

- Verse 33 ‘.....was upon them all’ (what?)

The group is united by a common vision and their deep commitment to one another.

- What is the source of income here?
- What is the agreement between the members of the group?

In your group, your agreement and situation will be different from the one here. What is important is that everyone who is part of the group clearly knows how the group is to function and keeps to the conditions you have agreed upon.

BIBLE STUDY 6

Honesty

All members of groups need to trust one another and be honest with one another. Read Acts 5:1-11.

- What do Ananias and Sapphira do? (verses 1-4, 8)
- Who does Peter say Ananias and Sapphira have lied to? (verses 3, 9)
- What happens to them? (verses 5, 10)
- What impact does this have on the Church and all who hear of these events? (verses 5, 11)
- Are you being open and honest in your dealings with the group you belong to?

Reflect as a group on how you can encourage each other to be more open and honest with each other.

BIBLE STUDY 7

Overcoming difficulties

Most groups will at some point face difficult times. If these situations are not handled correctly, members may become discouraged and prevent the work going ahead.

Read Nehemiah 4:1-12. This passage illustrates several types of discouragement:

- Ridicule (verses 1-3)
- The size of the task (verse 10)
- Opposition and threats (verses 8, 11)
- Fear and anxiety (verse 12)

Read Nehemiah 4:13-23.

- How does Nehemiah deal with discouragement spiritually and physically?
 - Ridicule (verses 4, 5)
 - The size of the task (verses 19-20)
 - Opposition and threats (verses 9, 14, 15)
 - Fear and anxiety (verse 15)

The people don't give up (verses 6, 16, 21). They work together (verses 16-18) to help one another. They design a system so that they can respond rapidly if one group needs help suddenly (verses 19-20). They are dedicated to completing the work (verses 21-23).

- How does your group respond when difficulties arise?
- Could you overcome the problems by helping one another more?
- Are you continually seeking God's guidance, encouragement and wisdom?

BIBLE STUDY 8

Cooperation

These verses give examples of what can be achieved if we work together as a team. Read Exodus 17:11-13.

- What would have happened in this situation without cooperation?
- Can you think of any similar situations in the present day?

Read Judges 20:11 (If you have time, read the whole of Chapter 20).

- What happens when people unite behind a common purpose?
- How can your group help to unite people in times of peace?

Read Matthew 18:19-20.

- Why are the prayers of several people more pleasing to God than one person praying alone?
- How often do you discuss situations and pray about them in small groups?
- How could you do this more effectively?

BIBLE STUDY 9

True values

Read 1 Corinthians 3:1-15.

- What problem is there in this church? (verses 3 and 4)
- What does Paul suggest is the proper attitude to different workers? (verses 4-9)

Only God can make things grow (verse 9); only God can make our work prosper (Psalm 127:1). He wants us to be his 'fellow-workers' (verse 9); each achieving the part of the work he has assigned to us (verse 5), using the gifts and qualities he has given us. Compare Romans 12:4-7 which has a similar message.

Jealousy and quarrelling cause division. If a project is to succeed, we need to value every person's gifts – our own and those of other people – and work together.

- Paul says he has laid a foundation (verse 10). Who is the foundation? (verse 11)

There is no other foundation that will endure forever. We must also be careful how we build.

- What will eventually happen to all our work? (verses 12-15)
- How will what you are 'building' look in the 'light of day'? Will it survive the fire? (verse 13)

BIBLE STUDY 10

Good use of resources

Read Acts 6:1-7.

- What is the complaint of the Grecian Jews? (verse 1)

The Twelve gather together all the disciples.

- What do they propose? (verses 2-4)
- What qualities do they suggest for the men who are to help in the food distribution? (verse 3)

The apostles pray and lay their hands on the chosen men (verse 6).

- What is the result of the expansion in workforce? (verse 7)

It is good to employ people to do different tasks according to their gifts and skills and the anointing of God upon them. See also 2 Chronicles 19:11

- Are you using your human resources effectively?

FINISHING

BIBLE STUDY 11

God's vision

Read Haggai 2:1-9 and Zechariah 4:6-10. The Lord's house is in ruins but the people have been told by the prophets to rebuild it. It must have seemed an immense task on such a great temple, but the people obey God's word and begin. God continues to encourage them through the prophets.

- What does God promise Zerubbabel? (Zechariah 4:9)
- Who will be with the workers? (Haggai 2:4-5)
- How will they succeed in such a massive project? (Zechariah 4:6)
- What does God say about the 'day of small things'? (Zechariah. 4:10)

If a vision is of God, it will succeed however improbable it may seem at the outset and whatever difficulties arise during the work.

BIBLE STUDY 12

Perseverance

There is great joy in persevering until we complete what God has called us to do. Both Paul and Jesus declare at the end of their lives that they have finished the tasks they were set: (2 Timothy 4:6-8, John 4:34 and 19:30)

- Do you know what tasks God has given you:
 - in your family?
 - in your group?
 - in your community?
- Will you be able to echo Jesus' words? 'I have brought you glory on earth by completing the work you gave me to do.' (John 17:4)

God tells us that he is the Beginning and the End. 'It is done. I am the Alpha and the Omega, the Beginning and the End.' (Revelation 21:6)

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A PILLARS Guide

by Isabel Carter