



**LIBERIA**

# **SME Business Toolkit.**

*Summary  
Handbook*

**FOR THE EVERYDAY ENTREPRENEUR**

**DISCOVER - CONNECT - GROW**

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# WELCOME TO THE SME TOOLKIT

*Summary  
Handbook*

Welcome to the SME Toolkit: Liberia Edition. This condensed summary version of the toolkit was designed as a quick reference of the full toolkit. We have provided summaries of each module that includes the key points covered. The Summary handbook should only be used after you have gone through the toolkit in its entirety.

By definition a toolkit is a set of tools kept in one place used for a particular purpose. That is exactly what this is! This guide has several tools that will help you plan, manage and grow your business and become the thriving entrepreneur that you know you can be.

This toolkit is set up in five modules, to help you navigate and have a better understanding of what is covered we have broken down the modules as follows:

**Module 1: Development and Planning:** If your business is still in the beginning stages then start here! The module provides a lot of useful information that will help you decide on a business idea, validate it and determine if it is feasible. The module also provides guidance on structuring your business along with legal and regulatory requirements. It is recommended that everyone start from the beginning because even though you may have been in business for a while it won't hurt to go back and reevaluate.

This module was designed to take you step by step. Its important that you follow the steps in order because each step is designed to inform the next. Don't rush through this module as it is the most important.

**Module 2-5: Business Management:** These modules are designed for business owners that are already in operation or getting ready to start. We have curated tools and resources that will help you ensure that you are not only covering all your bases but also maximizing your business potential. When you own a small business it is easy to get caught up in the business transactions and often neglect the management of the resources required to make these transactions work. These modules will cover important aspects such managing finances, managing human resources, managing operations and sales.

Are you ready to get started? Great, let's go! We know you are excited to get up and running but please remember it is not a race. Take your time and go through the exercises, digest the information and reference back to specific sections from time to time for a little refresher. Enjoy!

# MODULE 1: DEVELOPING AND PLANNING



Most small businesses owners have the tendency to skip over the development and planning part of starting a business and jump straight into the operations. This is one of the main reasons why businesses fail before they really even get started.

Would you get into your car and just start driving without clear directions to your destination? Probably not right? So why would you want to invest time, money and other resources into something without planning on how you are going to achieve results?

By the end of this module you will be able to brainstorm and validate creative business ideas, as well as assess the feasibility of your idea to determine if it is viable.

Lastly, you will be able to determine the organization structure that best suits your business and have a clearer understanding on the legal requirements you must fulfill upon start up.

We know it sounds like a lot but don't worry you will be fine! Go at your own pace and take it all in. You will be amazed at what you discover in this phase.

Enjoy!

*"A big business starts small."*

Richard Branson  
Entrepreneur  
Virgin Group

## Module 1 Summary

### Key Points to Remember

- The easiest way to identify a business idea is to think of a solution to a need or want your potential customers may have. In other words, **"Look for problems to solve"**. Businesses that solve problems have a higher chance of success than businesses that don't.
- Sometimes entrepreneurs want to take the easy way out and start a business that they may have seen a friend or neighbor doing or something that they think may make money without out really doing proper research. The easiest way to develop business ideas is to think of problems and/or inconveniences that occur and solutions on how you can solve that problem. Try and notice when something could have been done better or when you find yourself wishing that a product or service was available to you and think of what you could do to address it.
- A business idea can live perpetually in an idea phase if steps aren't taken to transform it into an actual business. There are any aspiring entrepreneurs who have amazing ideas and just sit on them. Don't let that be you! Business ideas stall because the process of getting them to market can seem overwhelming. In reality, if you validate your idea the process thereafter gets much easier.
- **Feasibility** is another crucial part of business planning. This process will help you think through your idea and understand if it is worth the investment of your time, money and other resources. Thinking through your business idea increases the chances of success as one of the major causes of business failures is bad market research.
- Once you have **developed, validated and tested** the feasibility of your business idea take your time and think about the type of resources you will need in order to launch. It is recommended that you focus on what is required (what you need) before you get into what is desired (what you want). Required resources are non-negotiable, without these you have no business.
- Lastly, selecting a **business structure** can be confusing to the new entrepreneur as there are many variables to consider. Before selecting a business structure ask yourself the following questions: "will this be a one man operation or will there be others involved?", "Will there be investors?", "Do I want to take responsibility for the liabilities or do I want that to be separate?".



# MODULE 2: MANAGING YOUR OPERATIONS



Any well-run organization has effective operations management. Often, small businesses disregard it as they feel it does not apply to them. What you may not realize is that the concepts, principles and benefits behind operations are applicable to all business no matter what size.

Operations can be defined as managing the inner workings of any business so it runs as efficiently as possible. It is the business function responsible for managing the process of creation of goods and services. It includes planning, organizing, coordinating and controlling the resources needed to produce goods and services.

Due to operations being a management function, it involves managing people, equipment, finances and information. It is the core function of every business. Operations management sets the tone for the day-to-day tasks necessary for a successful company.

*Keep it simple, scalable and profitable."*

Jefyne Togba  
Growth Strategist  
The Vantage Group

## Module 2 Summary

### Key Points to Remember

- In a small business, every owner should oversee the design and management of the product or the service that they offer. A small business may not be able to dedicate a single person to an operations role. However, it is important that employees and owners understand the business and how various processes impact on the day-to-day running the company.
- **Operations are key to running a business.** By asking questions about existing processes and identifying how to improve them, you are able to define and optimize what operations means to you and your small business.
- To better understand your operations, you need to ask yourself the following questions:
  - What needs to be done?
  - What staff are required?
  - What will I need (i.e. tools or equipment)?
  - Are there any specific location requirements?
- Once you identify your **processes** you should create **procedures**. Developing procedures helps ensure consistency, keeps processes simple, and makes your processes easier to monitor. When you are creating procedures keep in mind the following:
  - Centralize your procedures so they can all be found in one place.
  - Make sure that all of your procedures are consistent. (i.e. same layout, readability, format, etc.)
  - Keep it simple
  - Create the procedure while actually doing the task. This will ensure you don't leave anything out.
  - Test the procedures
  - Updated as needed

# MODULE 3: MANAGING YOUR FINANCES



As the owner of a small business, you are likely all too aware of the many moving pieces it takes for a business to run smoothly. Dealing with finances is often the last area owners want to spend time on. While this area of the business can be very intimidating for many, it doesn't have to be. In this module we will cover basic financial concepts that every business owner should know.

Financial management is one of your main avenues to success as a business owner. It is the way you know if you are making a profit and helps you decide what you can afford in terms of store or office location, inventory purchases, employees, and equipment.

In this module we will give you the tools to properly handle your bookkeeping, understand the financial position of your business, and make projections to plan your business growth.

*"Rule #1 Never lose money. Rule #2: Never forget rule #1"*

Warren Buffet  
Business Tycoon  
Berkshire Hathaway



## Module 3 Summary

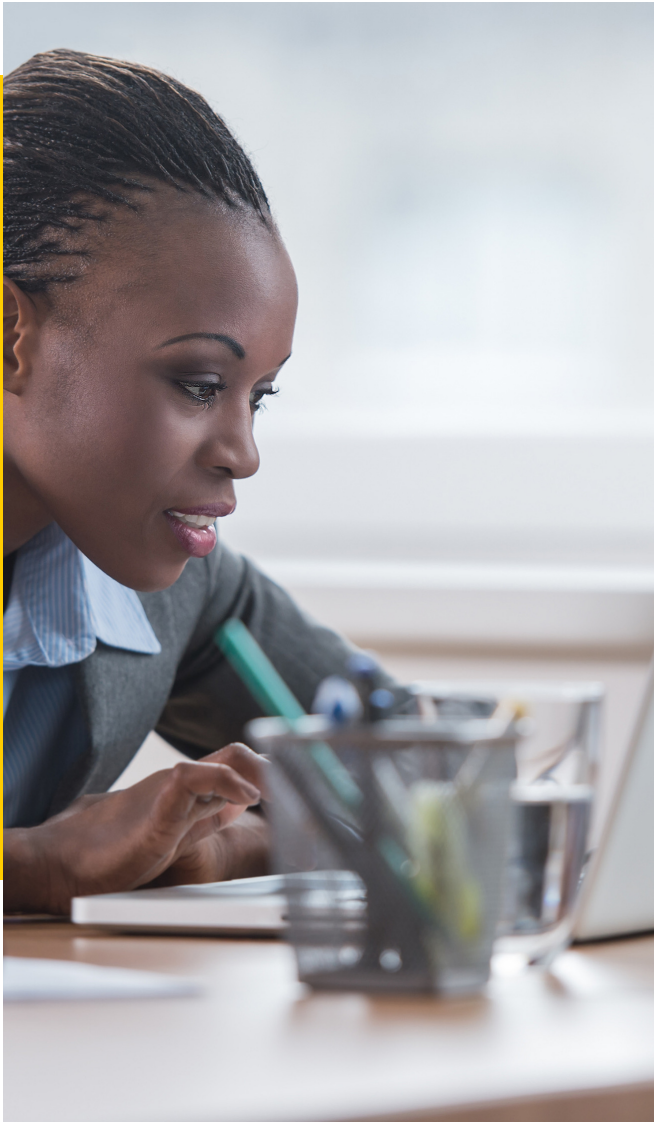
### Key Points to Remember

- Understanding your **profit margin** is important because it helps grow your business, identify potential issues, and even helps you manage your spending. We are sure that you didn't get in business to lose money so it's always important to make sure that you maintain a positive profit margin that also leaves a little money left over to handle any major and unexpected business expenses.
- When just launching your business, creating a budget is one of those things that can fall by the wayside. If your business is operating with a significant amount of profit or is going through a boom, it might not seem important to create a business budget. A **budget** can help to ensure long-term success for your business. A budget helps you to see past next week and next month and to next year, as well as the next five years.
- If you don't devote enough attention to your **purchasing**, your cost of doing business could rise to an unnecessarily high level. As operating expenses increase, profit margins shrink, you would either have to live with lower profits or raise your prices, and neither of these choices is appealing. By keeping your costs under control, you'll be able to keep your prices at competitive levels and maintain a desirable profit.

Remember, no matter how big or small your business is, whether you do your own **bookkeeping** or you have an entire accounting team, there are three financial reports that all entrepreneurs must know like the back of their hands:

- **Balance Sheet:** Of the Big Three Financial Statements, the balance sheet is the only one that shows the financial health of a company at a given moment.
  - **Profit and Loss Statement:** The P & L statement shows your revenue, costs, and expenses during any given period of time.
  - **Cash Flow Statement:** A cash flow projection is a financial statement that tries to show how cash is expected to flow in and out of a business over a future period of time.
- 
- The unfortunate reality for most entrepreneurs with an idea is that money is often a prerequisite. More often than not, this need requires outside sources. Despite the wide array of funding sources, there are three general categories: Non-Debt, Equity, and Debt.
    - Simply put, **debt** is capital you have to pay back.
    - **Equity** is when you give shares in your business in exchange for resources they may provide. Resources may be cash, equipment or even labor (sweat equity). This money does not have to be paid back but you will have to share your profits.
    - **Non Debt financing** is money that doesn't have to be paid back. Many businesses are started with savings from a "day job", the sale of an asset, or even from a savings club.

# MODULE 4: MANAGING YOUR HUMAN RESOURCES



Human resources is one of the more complicated aspects of running a small business. The complexities of working with people don't fit nicely on a spreadsheet like your finances do. However, HR is incredibly important as employee salaries and benefits make up a huge portion of your operating expenses.

## **What Is Human Resource Management?**

Human Resource Management (HRM) deals with your employees, whether in regards to recruitment, management, or other forms of employee engagement.

The way you manage your Human Resources sets the tone of how your business is run. Typically, happy employees are more productive and tend to stick around longer. If you put in the time and effort now to ensure your human resources are in order you will definitely reap the rewards in the long run.

*"Your employees are one of your greatest assets. You must protect and manage that asset."*

Rob Wormley  
Content Creator  
When I Work

## Module 4 Summary

### Key Points to Remember

- Before you start **recruiting** staff it is important to be very clear on what your needs are. What exactly is it that you need these people to do and how many of them do you need to do it? Asking yourself these questions in the beginning can help you avoid hiring too many staff or in some cases not enough.
- **Induction** is an essential part of on-boarding your new employees and familiarizing them with your business. Getting the induction process right can help you get new employees up to speed and productive as quickly as possible.

As an employer, your staff are your most important asset. Induction gives you the chance to welcome new employees and build on their positive attitude and enthusiasm for their new job.

Having a comprehensive, structured induction process has been shown to play a big part in improving long-term staff retention.
- Typically, **payroll** is done at the end of every month. It's very important that you are consistent with your payroll. Pick a date that will be considered "Pay Day". For example, on the 30th of every month and if that day falls on a weekend or a Holiday then payroll should be moved up to the business day before that date. Never leave your employees guessing on when they are going to get paid. In order to ensure you have an accurate payroll you will have to implement a timekeeping process to keep track of the hours/days your employees work. The most practical method is time sheets where the employee signs in and out each day worked and it is verified by you or a supervisor. At the end of each pay period you need to calculate the salaries for each of your employees based on the time worked.
- Once you've calculated the gross salary there are standard deductions you have to make to calculate the net salary. The standard deductions are as follows:
  - **Withholding Tax:** Employers are obligated to withhold taxes from an employee's salary and pay to the Government.
  - **NASSCORP Contribution:** Every employee must contribute 3% of their gross earnings to NASSCORP which will be applied to their social security benefits. The employer is obligated to match the 3% plus an additional 1.75
  - **Other:** This includes repayment of advances, loans, overpayment, etc.

## MODULE 5: SALES AND MARKETING



Without proper marketing, your reach is limited. Your name gets mentioned around once or twice between friends, and then you become vapor in the air between them. Without proper marketing, your business cannot have a lasting impact.

Marketing gets the word out about your business. It allows you to connect with potential customers and inform them of all the services you offer. It builds brand recognition and fosters healthy competition between businesses. It boosts sales, helps you construct a consistent client-base, and helps you make your mark in your sector.

Without strong marketing, it is easy to fade into the background and your business can easily disappear. With it, you can engage with clients and make your name known. Marketing increases your business's overall potential, builds your reputation, and increases your reach. Marketing is a tool that must be used in order to ensure your business is the best and most successful it can be.

*"Marketing is a contest of people's attention."*

Unknown

## Module 5 Summary

### Key Points to Remember

- The easiest place to start in your **marketing strategy** is to identify your **target customer**. In other words, who is most likely to buy what you are selling? By identifying your target customer and their habits you will be able to focus your marketing activities and ensure you are reaching the right people.
- Once you have a solid understanding of the **sales cycle**, it's time to make it shorter and more targeted. The last thing you want is a sales cycle that goes on and on without ever being able to close the deal. You can control the sales cycle by becoming more efficient at each step and adjusting the time accordingly. With practice, you can reduce the length of the sales cycle and close sales faster.
- For a small business **tracking sales** plays a major role in making key business decisions. By having a better understanding of your sales trends you will easily identify your peak and low selling times and customer preferences. Tracking sales also helps you know where your sales revenue is coming from so you know where to focus your efforts.
- **Pricing strategies** are useful for numerous reasons, though those reasons can vary from company to company. Choosing the right price for a product will allow you to maximize profit margins.
- Depending on the line of business you are in. It may be necessary to utilize more than one **distribution channel** to maximize the reach of your product or service. Sometime you may not have the capacity or it may not be feasible to do everything yourself and that is where distribution partners come in.
- The extension of credit is an integral part of business. Credit is a means of creating revenue and many companies will use credit to increase sales, match or beat competitors and meet customer demands. Weighing the risks involves understanding each individual customer and his or her business or industry as well as its history.
- Last but not least, improving **customer service** should be a key target for every single business owner. The better your customer service, the more likely your customers are to recommend and stay with you. That much is clear, but the value goes beyond that good customer service may actually prompt customers to spend more with you. This means even companies who don't rely on referrals or repeat business stand to gain from offering better customer service.



### Support Organizations and Grants for SMEs

#### Liberia Chamber of Commerce:

The Liberia Chamber of Commerce (LCC) is dedicated to being the most representative business association and trusted voice of the private sector (employers), and the lead advocate for reforms that contribute to the creation of an enabling and conducive environment for commerce, industry, trade and agriculture. LCC accepts members through an application process.

**Phone:** Office: +231 886800473 /  
+231 777857805

**Email:** info@liberiachamber.org

**Web:** www.liberiachamber.org

#### Liberia Business Association:

The Liberian Business Association is an independent, non-profit, network of business professionals whose mission is to provide services that strengthen capacities, create tangible business values by establishing a professional forum through which information, knowledge, and opportunities can be exchanged.

**Phone:** Office: +231 770180022 /  
+231 886403534 / +231 886517791 / +231  
775571679

**Email:** libaliberia@yahoo.com

**Web:** www.liba.org.lr

#### Sector Specific Organizations

- Concern Liberian International Business Organization (COLINBO)
- Liberia Marketing Association, no website
- Association of Liberian Construction Contractors (ALCC),
- Engineering Society of Liberia (ESOL)
- Liberia Timber Association (LTA)
- Farmers Union Network (FUN)
- Oil Palm Growers Association
- Rubber Planters Association
- Liberia Water Producers Association (LWPA)

#### Non-Profit/NGOs

- **Mercy Corps:** [www.mercycorps.org](http://www.mercycorps.org)
- **GROW Liberia:** [www.growliberia.com](http://www.growliberia.com)
- **Cultivating New Frontiers in Agriculture (CNFA):** [www.cnfa.org](http://www.cnfa.org)
- **BOSS Program (UNDP):** [www.lr.undp.org](http://www.lr.undp.org)
- **Entrepreneur Plus Program (E+) MoCI**  
[www.moci.gov.lr](http://www.moci.gov.lr)
- **Smart Liberia:** [www.smartliberia.org](http://www.smartliberia.org)
- **Spark** [www.spark-online.org](http://www.spark-online.org)

#### Grant Opportunities

**Organization:** Tony Elemelu Foundation

**Opportunity:** Business support, seed funding

**Applications Accepted:** Annually

**How to apply:** [www.tefconnect.com](http://www.tefconnect.com)

**Organization:** Mercy Corps Prospects Project

**Opportunity:** Social Business Employment grant

**Applications Accepted:** Annually

**How to Apply:** [www.mercycorps.org](http://www.mercycorps.org)

**Organization:** Africa Enterprise Challenge Fund

**Opportunity:** Capital Investment

**Applications Accepted:** Year Round

**How to apply:** [www.aecf.org](http://www.aecf.org)

**Organization:** Ministry of Commerce and Industry

**Opportunity:** E+ Program

**Applications Accepted:** Annually

**How to apply:** [www.moci.gov.lr](http://www.moci.gov.lr)

## Annex 2: List of Banks in Liberia

The banks listed below have specialized products and services to cater to the needs of SMEs. It is always advisable to deal with a credible financial institution to ensure that your money is in safe hands.

S/N	Financial Institution	Services Offered				Website
		Business Current and Saving Account	E-Banking	Loans Available	Types of loans Available	
1	EcoBank	✓	✓	✓	Service Offered: Business Loans Loan amount: up to \$50,000 for small businesses. Medium size businesses can apply for higher amounts. Payment Terms: 1-12 months	<a href="http://www.ecobank.com">www.ecobank.com</a>
2	Guaranty Trust Bank (GT)	✓	✓	✓	Service Offered: Business Loans Loan amount: Varies depending on business needs Payment Terms: 12-24 months	<a href="http://www.gtbanklr.com">www.gtbanklr.com</a>
3	United Bank for Africa (UBA)	✓	✓	✓	Service Offered: Business Loans Loan amount: Varies depending on business needs Payment Terms: 12-24 months	<a href="http://www.ubagroup.com">www.ubagroup.com</a>
4	Afriland First Bank	✓	✗	✓	Service Offered: Business Loans Loan amount: Varies depending on business needs Payment Terms: 12-36 months	<a href="http://www.afrilandfirstbanklb.com">www.afrilandfirstbanklb.com</a>
5	Access Bank	✓	✗	✓	Service Offered: Business Loans Loan amount: US\$ 21,000.00 to US \$300,000.00 Payment Terms: 12-24 months	<a href="http://www.accessbank.com.lr">www.accessbank.com.lr</a>
6	International Bank (Liberia)	✓	✓	✓	Service Offered: Business Loans Loan amount: US\$ 10,000.00 and above Payment Terms: 06-18 months	<a href="https://www.ibliberia.com/">https://www.ibliberia.com/</a>
7	GN Bank	✓	✓	✓	Service Offered: Business Loans Loan amount: Varies depending on business needs Payment Terms: 12-24 months	<a href="http://www.gnbankliberia.com">www.gnbankliberia.com</a>
8	Liberian Bank for Development and Investment (LBDI)	✓	✓	✓	Service Offered: Business Loans Loan amount: Varies depending on business needs Payment Terms: 12-24 months	<a href="https://lbdi.net">https://lbdi.net</a>
9	Global Bank	✓	✗	✓	Service Offered: Business Loans Loan amount: Varies depending on business needs Payment Terms: 12-24 months	<a href="http://www.globalbankliberia.com">www.globalbankliberia.com</a>

**Business Current Account:** A current account is an account typically used for everyday operational expenses such as salaries, inventory, bill payments etc. All the financial institutions listed above offer these accounts at a monthly fee ranging between \$20-\$30 per month. These accounts typically require a minimum balance of \$100.00 USD and are offered in LRD and USD.

**Business Savings Account:** A savings account where you can keep your retained earnings or funds you may be saving for a large purchase. Savings accounts are interest bearing with rates varying among the different financial institutions. They typically aren't charged service fees but there is a minimum balance requirement. Savings accounts are also available in LRD and USD.

**Business Loans:** All of the financial institutions offer loans to businesses. However, the criteria vary between them. The common criteria are as follows: Must have an account with the institution, must be a registered business, must have collateral, and must be able to demonstrate ability to payback (financial records, business plans, etc.) Terms, rates, and loan amounts will vary based on your individual needs.

**Business Line of Credit:** Lines of credit are revolving funds available to business owners who are constantly in need of access to cash to purchase inventory or finance other business related activities. This product is usually reserved for traders as they are always buying and selling and the time of getting a loan every time may interrupt their supply.

**E-Banking:** E-Banking services cover the following: Internet banking, ATM, Mobile Banking, Point of sale machines, e-commerce, etc. The financial institutions listed above may not offer all of these services but where indicated that e-banking is available, they offer the basics which include: online banking and ATM services.

## Annex 3: Non Banking and Micro Finance Institutions

The institutions below are non-banking finance institutions that offer loans for SMEs.

S/N	Institution	Services Offered	Address	Contact Numbers
1	<b>Brac Liberia Microfinance Co. Ltd.</b>	Micro-financing US \$1,000.00 – US \$10,000.00 Payment Term: 6/9/12 Months	<b>Oldroad, Sinkor Monrovia, Liberia</b>	<b>0770-235394/0881-555085</b>
2	<b>Foundation for Women</b>	Micro-financing US\$ 100.00 – Varies Payment Term: 8-12 months	<b>72nd Boulevard, Gardnersville</b>	<b>0886-882760/0775-287143</b>
3	<b>Business Link</b>	Micro-financing LRD30,00.00 – LRD500,000.00 Payment Term: 6-12 Months	<b>Benson Street Monrovia, Liberia</b>	<b>0886-524203/0770-196777</b>
4	<b>Kendei Empowerment</b>	Micro-financing US\$100.00 – US\$1,000.00 Payment Term: 6 Months	<b>Joe Bar, Paynesville City</b>	<b>0886-548872/ 0777-544307</b>
5	<b>Fidelity</b>	Micro-financing LRD 5,000.00 – LRD 150,000.00 Payment Term: 3 months	<b>Vai Town, Bushrod Island</b>	<b>0886-519796</b>
6	<b>Action for Community Matters</b>	Micro-financing LRD 10,000.00 – US \$1,500.00 Payment Term: 8 months	<b>Paynesville City, adjacent PA Rib House Entertainment Center</b>	<b>0886-569454/ 0770-176104</b>
7	<b>Liberia Enterprise and Development Co.</b>	Short – Medium Term Loans \$10,000 USD – \$1M USD Payment Term: 6-60 months	<b>Tubman Blvd Congo Town Monrovia, Liberia</b>	<b>0888 514 424/ 0770 788 952</b>
8	<b>Diaconia MDI</b>	Micro-Financing	<b>Carey Street Monrovia, Liberia</b>	<b>0777-222010</b>
9	<b>Manakoryee Gboadeamun Credit Union</b>	Micro-Financing	<b>Deakehmein Community Ganta City, Nimba Co. Liberia</b>	<b>0886-462519</b>
10	<b>Deador financial Credit Union</b>	Micro-Financing	<b>Gblagbain Community, Ganta City, Nimba Co. Liberia</b>	<b>0880-423658</b>
11	<b>Kwakerdon Credit Union</b>	Micro-Financing	<b>Peace Community, Ganta City, Nimba Co. Liberia</b>	<b>n/a</b>
12	<b>Sorlehseh Village Savings</b>	Micro-Financing	<b>Glennyeluu Community, Ganta City, Nimba Co. Liberia</b>	<b>n/a</b>
13	<b>Trust Savings Credit Union</b>	Micro-Financing	<b>Deakerhmein Community, Ganta Ganta City, Nimba Co. Liberia</b>	<b>0776-616631</b>
14	<b>In God We Trust Multipurpose Credit Union</b>	Micro-Financing	<b>Duala, Gbarnga Bong County</b>	<b>0886-436015/ 0777556894</b>
15	<b>Gift Financial Institution</b>	Micro-Financing	<b>Old Iron Gate, Gbarnga Bong County</b>	<b>0777485838/0770197907</b>
16	<b>Try and See Credit Union</b>	Micro-Financing	<b>Old Iron Gate, Gbarnga Bong County</b>	<b>0886-651585/0770499876</b>

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