



**Learning Conversations for Entrepreneurs and Their Partners**

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## EXECUTIVE SUMMARY

The Barefoot MBA teaches business concepts to undereducated entrepreneurs through a collection of simple, contrasting stories. Each story is followed by discussion questions and an optional learning activity to further identify, isolate and apply the lesson. The context of the stories in this document reflects the cultural specifics of rural Thailand. The lessons from the stories are universal and, we hope, will lay the groundwork for Barefoot MBA curricula around the globe.

The goal of the Barefoot MBA curriculum is to provide people with the knowledge they need to make better business decisions, both as business owners and as advisers to others. To that end, we hope the information students learn helps them explore and confidently pursue business options that previously seemed out of reach. Time and again during our research, we heard about entrepreneurs who failed because they were too timid to take risks that would create better businesses in the long term. Opening the fifty-first banana stand, for example, appears less risky than opening the first orange stand, but it also is less likely to succeed. We want students of the Barefoot MBA curriculum to develop sufficient business acumen and confidence to make decisions and take informed, calculated risks that propel and sustain their business success.

There are several things this curriculum is not. It is not exhaustive. It is a first step at identifying and explaining the most basic concepts and addressing the most severe business skill deficiencies. It is not a textbook for students. It is intended to be a guide for teachers and development professionals to explain complex topics to motivated but undereducated people who likely are intimidated by formal classroom environments and teaching tools. Finally, it cannot exist in a vacuum. We know that our understanding of external factors is far from complete, so though we have tried to build our stories around critical cultural pieces, without physically being in each village to integrate what villagers need with what we have learned, we cannot do more than hope that the curriculum will be effective there with proper adaptation.

To that end, we adapted the Barefoot MBA to rural Thailand, where we worked with the Population and Community Development Association in the summer of 2007 to pilot and begin implementing the Barefoot MBA with rural villagers. We encourage others to adapt it to the cultural and economic specifications of their audiences.<sup>1</sup> We will continue to incorporate feedback from readers and users and to sharing the latest version of the Barefoot MBA with those who request it. We plan to make updates available at <http://www.barefootmba.org>.

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<sup>1</sup> See Appendix for a guide to adapting the Barefoot MBA to other regions based on what we learned in Thailand.

## AUTHORS' NOTE

The idea for the Barefoot MBA emerged from a trip in January 2007 with the Stanford Graduate School of Business's Service Learning Program, which aims to expose business students to ways to use their MBA skills to solve social problems. During a 10-day trip to Thailand and Cambodia, we took a first-hand look at the reality of poverty and met with social entrepreneurs working to alleviate it. In particular, we were impressed by the innovative approaches of Mechai Viravaidya, who in 1974 established the Population and Community Development Association (PDA) to control population growth and has since expanded its successful activities to include poverty reduction and micro-credit. In his presentation to our group in January, Khun Mechai<sup>2</sup> outlined much of PDA's work and mentioned the need for a "Barefoot MBA" to give the rural poor the skills they need to build and run profitable enterprises.

Mechai challenged us to create a solution. We accepted. The Barefoot MBA is our solution.

We began our Barefoot MBA<sup>3</sup> project with broad, ambitious goals of developing a basic business curriculum and implementation plan for aspiring entrepreneurs. At the recommendation of representatives from PDA and other experts in international development, we focused our research on the training that accompanies micro-lending in developing countries. Through microfinance-related sources, we unearthed a massive amount of relevant materials whose substance we then cross-checked against basic business standards. (See Sources, page 25.) From those resources and our own recent business school experiences, we developed a framework (page 5), compiled a list of topics (page 7) and wrote the lessons and stories that became the Barefoot MBA.

Our sources consistently emphasized the need for just-in-time learning: teaching only skills and concepts so fundamental to the fabric of our subjects' immediate needs that they perceive no choice but to learn them. Understanding what those immediate needs are has been a daunting task. Though we have listed lessons in an order that makes sense for many, we intentionally have kept them short, allowing the local adapters to select and prioritize relevant lessons and to determine the timing of lesson delivery as circumstances dictate. For example, a village might teach a set of three lessons over one three-hour session on a weekend or over three one-hour sessions on weekday evenings.

Initially, we focus the curriculum on members of two of PDA's projects, the Positive Partnership Program (PPP, officially Positive Partnership: Microcredit Loans for People Living with and Affected by HIV/AIDS) and the Village Development Partnership (VDP). Both provide micro-loans. PPP lends to people living with HIV/AIDS and their HIV-negative business partners as incentives to work together to improve their economic situations and to reduce HIV- and AIDS-related stigma and discrimination. VDP is a community-bank system that lends to borrowers in a village to stimulate development of commercial activity and improve the economic situation of the village and its people.

We revised and refined the Barefoot MBA based on feedback from articulate yet business-naïve test subjects in the United States, from users and readers of the curriculum and especially from cultural insights from our contacts and experiences in Thailand. In July we returned to Thailand and PDA to refine and pilot the curriculum.<sup>4</sup>

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<sup>2</sup> Khun is a Thai honorific; PDA's staff refers to its founder as Khun Mechai, and so do we.

<sup>3</sup> We have maintained the original name as a tribute to the Khun Mechai and because it most appropriately describes the curriculum: a simple, comfortable and unmasked base of movement and change.



<sup>4</sup> See <http://www.barefootmba.org> for stories and more details from our pilot adaptation in rural Thailand in July 2007.

We hope that Barefoot MBA students internalize the lessons in this curriculum to make more informed business decisions. Though we hope the Barefoot MBA reaches students with a range of knowledge and abilities, our target population is among the least formally educated anywhere. Where a lesson lends itself to more nuanced topics, we have built advanced details into the corresponding questions, not into the facts of the stories, to keep the lesson applicable even to novices.

Understanding our students helped focus our stories on the needs, wants and cultural specifics of a subset of villagers, but we do not want our initial target population to limit the reach of the Barefoot MBA. We hope the curriculum we adapted for PPP and VDP participants can be expanded to serve aspiring yet undereducated entrepreneurs in Thailand and beyond. We already have received requests from microfinance and other organizations seeking to train similar groups of entrepreneurs around the world, and we are eager to share our work. We include at the end of this document a guide to adapting the Barefoot MBA elsewhere.

To that end, we consciously have chosen not to copyright the curriculum. We are proud of our work and appreciate credit where credit is due, but we recognize that this document is far from perfect. We would rather have our work distributed and improved upon by strangers than held so tightly that it cannot maximize its purpose of serving those who need it most. We know that we are far from those who ultimately will implement these lessons and that their additions and suggestions will add tremendous value.

This project has served as a broad and fulfilling capstone to our MBA experience. Simplifying and articulating basic business concepts has reinforced our own understanding of the lessons and distinguished them from the more complicated ones that we have elected not to include here. Ultimately, we hope that the beneficiaries of the Barefoot MBA reinforce their learning and enlighten those around them by relaying these lessons through retelling the stories in this curriculum. Years from now, we hope that every member of the first class of Barefoot MBA students is still running a successful business, that the curriculum has spread and been implemented in untested areas and especially that those who benefit directly from the curriculum have shared what they have learned to someone who has a better life as a result.

   
Katherine      and      Scott

BANGKOK, THAILAND  
August 3, 2007

## INDIA ADAPTATION

Working as an Indicorps<sup>1</sup> fellow with Grassroots Development Laboratory<sup>2</sup> in Northern Rajasthan trying to promote entrepreneurship as a means of self-employment amongst rural youth I realized the lack of basic business knowledge that exists. Business is still quite dynastical with few new entrants and functions in quite a static environment between generations. Entrepreneurs do exist, but much fewer than ought to be, given the wealth of talent and ingenuity that exists. While embarking on a range of initiatives to encourage entrepreneurship I came across the Barefoot MBA. This is a valuable resource in reaching out to students across demographics and asking them to evaluate these basic business concepts and how they may apply them in their own lives. I have had some success thus far with a pilot group of students and hope to further utilize this material for teaching in SHGs.

This adaptation follows the adaptation guide and fits *an* Indian context, applicable to this part of Rajasthan. Further adaptations may be required for the purposes of teaching this in other parts of the country. I hope this is useful and wish you every success.



Pulkit Agrawal

BAGAR, RAJASTHAN, INDIA

February 24, 2009.

<sup>1</sup> Indicorps is a non-partisan, non-religious, non-profit organization that encourages Indians around the world to actively participate in India's progress through a grassroots service fellowship programme. The structured 12 month fellowship seeks to engage graduates and young professionals in implementing sustainable development projects with community-based organization across India. It is a total-immersion programme that encourages simple living, community engagement, and a strong commitment to producing results and creating change. For more information please visit [www.indicorps.org](http://www.indicorps.org).

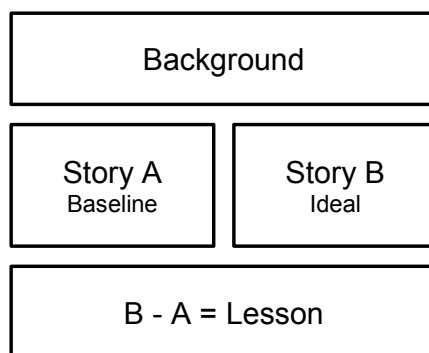
<sup>2</sup> Grassroots Development Laboratory is an initiative of Indicorps and Piramal Foundation based in Bagar, Rajasthan for creating sustainable and scalable solutions to some of the most pressing development challenges facing rural India. For more information please visit [www.gdl.org.in](http://www.gdl.org.in).



## FRAMEWORK

The format of the Barefoot MBA lesson plans is designed for simplicity, ease of memorization and the highest degree of personalization and internalization. Through our research, we confirmed that storytelling is the pedagogical method most transportable and least dependent on literacy or infrastructure. We include a significant amount of interaction and discussion to ensure that participants are active learners, not passive recipients, of the concepts included.

Specifically, the lessons are told through pairs of contrasting stories of individuals in the same situation.<sup>5</sup> In the first, the person acts without knowledge of the lesson at hand and is used to illustrate current or common practice. In the second, the person acts purposefully, using the lesson's knowledge to produce a better, more desired outcome that her culture values. In each story, the difference between the actions of the characters is the lesson. Participants are encouraged to discuss what they perceive as the difference, to note the beneficial outcome, to find ways to apply the lesson to their own businesses and to commit to incorporating the lessons into their daily lives. Eventually, we hope that the stories are so relevant that their lessons become second nature, inspiring Barefoot MBA students to retell the stories in their communities: at markets, family gatherings and anywhere else they find people who can benefit from them. By spreading virally beyond the first point of contact, we hope the lessons of the Barefoot MBA efficiently create a more informed population that is poised for business success – and, as a result, better lives.



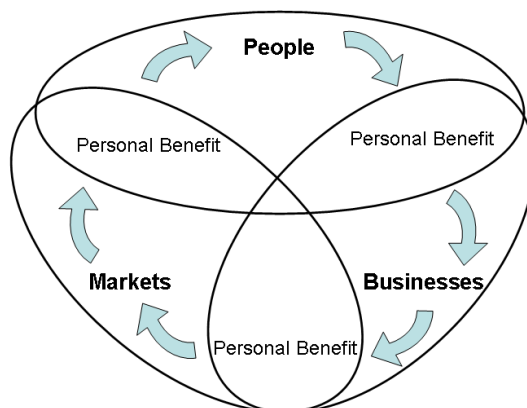
Guided discussions followed by hands-on activities are a good way to engage students and give them first-hand experience with the lessons. By learning these lessons in groups, ideally of 6 to 20 students, the students begin to form professional networks that we hope will support them as their businesses grow. Students also benefit from the support of people in similar businesses and from the different ideas and perspectives of people with other types of businesses. Thus, a mix of overlapping yet diverse experience, which might be present in a community, is beneficial to everyone's learning.

We recognize that lessons require relevance to learn and motivation to act, so we designed the stories and lessons to emphasize personal benefit. For example, each lesson begins and ends with the goal and outcome of increased personal benefit. Through the goal of increased personal benefit, an abstract concept becomes more tangible and thus can be internalized easily. The goal of increased personal benefit, we hope, serves as sufficient incentive to motivate students to learn and share these lessons with others. We use personal benefit, not personal wealth or profit maximization, to balance cultural differences and motivation for learning these lessons at all.

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<sup>5</sup> The framework is drawn from sample “learning conversations” developed by Freedom From Hunger and Catholic Relief Services that have been used in India and elsewhere and were shared generously by TrickleUp.

For ease of planning, teaching and understanding, we separated the Barefoot MBA topics into three categories of factors affecting personal benefit: people, businesses and markets. A categorized list of topics appears on the next page. Though distinct categories, each factor relies on personal benefit as a motivating factor. Together, the categories represent the full spectrum of business fundamentals that the Barefoot MBA seeks to impart.



We constructed and ordered the curriculum and its stories thoughtfully, but we recognize that they are not immediately transportable to other regions without revision. We hope the Barefoot MBA's lessons, though, are so fundamental that only the specific examples need adjusting to make this document culturally and economically relevant around the world.

This document contains 16 lessons, but in practice, even a comprehensive Barefoot MBA implementation might not include more than half the lessons. Some lessons teach the same fundamental idea; only by being in a place and talking to people there can someone understand which lessons are most relevant. We recognize that potential students may have learned a significant amount about business through practice. The goal of this curriculum is to isolate the business concepts from the contexts in which they may have been learned already. Learned only in a single context, many concepts are not applied easily elsewhere. Learned independent of context, the same concepts can be applied to new businesses or to business improvement. However, application requires an understanding of the local business concepts and contexts.

With that in mind, we include as the appendix to this document a guide to adapting the Barefoot MBA to other cultures but encourage organizations and teachers to be creative in adjusting the curriculum as circumstances dictate. For example, in some situations, supplemental images (on paper, felt boards, slides or otherwise) might be appropriate, while in others, props and acting might more effectively engage the students. In still yet others, reordering the topics might make sense for the target audience.

As the use of props or other tools increases, students may believe that their learning is dependent on such tools, especially when technology is involved. We made every effort to let the story teach the lesson so that few, if any, external tools are actually necessary for learning. If props and tools are used, in general, local items make more useful and more transportable props than expensive materials or technologies.

## CURRICULUM TOPICS

### **Factor: People**

- Saving
- Investing
- Spending
- Opportunity cost
- Cost-benefit analysis

### **Factor: Businesses**

- Planning and records
- Incentives
- Production
- Debt
- Interest

### **Factor: Markets**

- Price and competition
- Marketing
- Specialization
- Price and quantity
- Profit
- Trade

**SAVING**

Saving resources now protects someone in case she does not have enough later. It also allows her to grow a business without borrowing. Saving is important to protect a person and her business from unpredictable events. The goal of this lesson is to learn the benefits of saving.

| <b>Background</b>  |  |
|--|--|
| Ramesh and Santosh have identical millet businesses. Last year, there was a good crop, and both made a profit. This year, there is a drought, and neither gets a large crop. |  |
| <b>Story A</b>   | <b>Story B</b>   |
| Ramesh spent his profit from last year. After the drought this year, he has no money to buy food and medicine for his family.  | Santosh kept his profit from last year in a bank. After the drought this year, he still has money to buy food and medicine for his family. |

**Questions**

1. What happened?
  - a. What does Ramesh do?
  - b. What does Santosh do?
2. What is the difference between these two stories?
3. What is another reason for Santosh to save his profit?
4. What is a reason for Ramesh to spend his profit?

**Optional activity****Questions**

5. How do you spend your money now?
6. Do you save your money now?
7. How can you save more of your money?
8. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave here? (Have each person commit to something specific.)
9. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| <b>Lesson</b>  |
|--|
| Santosh understands the benefit of saving, so he kept his profit from last year in case something unexpected happened this year. When there is a drought, he has money to buy food and clothing for his family. Ramesh does not understand the benefit of saving, so although he had money during the strong crop last year, he did not save any, and he does not have money when there is a drought this year. Saving can provide protection and security for the future. Also, saving can help buy more expensive items without borrowing or using debt. |

**INVESTING**

Investing is a way to use savings to earn more money or resources. The goal of this lesson is to learn how to use saved profit to make more profit and have more savings.

| <b>Background</b>  |   |
|--|---|
| Vimla and Saroj each have a milk-production business. After paying for food, clothing and other basic needs, each have Rs. 1000 at the end of the month. |   |
| <b>Story A</b>   | <b>Story B</b>  |
| Vimla does not spend her Rs. 1000. She keeps it for next year's buffalo in case she needs it.  | Saroj uses the profit to buy a chicken, which she keeps and sells eggs to other villagers. Each month, she pays Rs. 200 for the chicken's needs and receives Rs. 500 when she sells the eggs. Saroj has profit of Rs. 1000 from selling milk plus a profit of Rs. 300 from selling eggs. Saroj now earns extra money she can save in case of drought or flood, or invest in a cow, a fruit tree or more chickens. |

**Questions**

1. What happened?
  - a. What does Vimla do?
  - b. What does Saroj do?
2. What is the difference between these two stories?
3. Who makes more money/profit, Saroj or Vimla? Who invests it?
4. If Vimla and Saroj both buy something for Rs. 500, after one month, who would have more left?

**Optional activity****Questions**

5. What do you do with your profits?
6. What can you buy with your profits to make even more profit/money?
  - a. What would you do with that extra money?
7. Why might you spend your profits instead of investing them?
8. Why might you save your profits instead of investing them?
9. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave here? (Have each person commit to something specific.)
10. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| <b>Lesson</b>  |
|--|
| Vimla saves her profit but it does not grow, so she has only what she saves. Saroj uses her profit to invest in another business. Saroj spends some of her profit to make even more profit. Now Saroj owns two businesses and generates even more income. She can use the extra money to save or invest again. |

**SPENDING**

People choose how to spend their profit. There are many items that can be purchased at the market, some of which can help a person's family or business, and some of which are not as useful or helpful.

| <b>Background</b>   |   |
|---|---|
| Mahinder and Sanjay each have Rs. 1,000 in profit from selling peanuts. Mahinder and Sanjay spend their profit at the same nearby market. |   |
| <b>Story A</b>  | <b>Story B</b>  |
| Mahinder spends his profit on a new mobile phone. Mahinder already has a phone but likes the new one because it can play music.           | Sanjay spends his profit on a used bicycle. Sanjay can use the bicycle to take his nuts to nearby markets and also to take his sick daughter to the hospital. |

**Questions**

1. What happened?
  - a. What does Mahinder do?
  - b. What does Sanjay do?
2. What is the difference between these two stories?
3. How does Sanjay's purchase help him?
  - a. What else could Sanjay purchase to help his business?
  - b. What else could Sanjay purchase to help his family?
4. How does Mahinder's purchase not help him?
  - a. What else could Mahinder purchase that does not help his business?
  - b. What else could Mahinder purchase that does not help his family?

**Optional activity****Questions**

5. What do you buy with your profits?
  - a. What do you spend money on that does not help you, your family or your business?
  - b. What could you spend money on that would help you, your family or your business?
6. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave here? (Have each person commit to something specific.)
7. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| <b>Lesson</b>  |
|--|
| Sanjay spends his money to help his family. Though Sanjay can choose to save his profit or invest it, he also can choose how to spend it. Sanjay chooses to spend his profit to help his business and family. Mahinder decides to spend his money on something he already has. Because of Mahinder's choice, his spending does not help him, his business or his family. |

**OPPORTUNITY COST**

Deciding to do something means deciding not doing something else. What someone decides not to do is the opportunity cost. The goal of this lesson is to learn how to think about the opportunity cost of business decisions.

| <b>Background</b>   |   |
|---|---|
| Manju and Saroj each have a business selling gift items in the market. Each earns Rs. 150 per day.  |   |
| <b>Story A</b>  | <b>Story B</b>  |
| Another businesswoman needs help harvesting mustard in the summer and asks Manju for help. The businesswoman will pay Rs. 100 per day for Manju's help. | Another businesswoman needs help harvesting mustard in the summer and asks Saroj for help. The businesswoman will pay Rs. 200 per day for Saroj's help. |

**Questions**

- What happened?
  - What does Manju do?
  - What does Saroj do?
- What is the difference between these two stories?
- Who has more at the end of the day, Saroj or Manju?
  - If selling gift items?
  - If harvesting mustard?
- What is the cost not to sell goods in the market?
  - What does Saroj give up (not have) by harvesting mustard?
  - What does Manju give up (not have) by harvesting mustard?
- What does each lose or gain by harvesting mustard? Who gains more?

**Optional activity****Questions**

- What have you given up to do something else?
- What else could you do (or make or produce) instead of coming here?
  - What is your opportunity cost?
- How can you use opportunity cost to make decisions that will make you more money?
  - What will you commit to doing differently before you leave the here? (Have each person commit to something specific.)

| <b>Lesson</b>   |
|---|
| <p>Manju must choose between earning Rs. 150 selling gift items in the market and Rs. 100 helping to harvest mustard. If she chooses to harvest mustard, she gives up Rs. 150 in exchange for Rs. 100. Her opportunity cost is Rs. 150, and she makes Rs. 50 less that day. Manju still has the gift items she can sell in the market (inventory) for Rs. 150. What Manju should do here depends on how much she values helping someone else and how much she values the Rs. 100.</p> <p>Saroj must make the same choice, between selling gift items in the market for Rs. 150 and harvesting mustard, this time for Rs. 200. If Saroj harvests mustard, she gives up the Rs. 150 (her opportunity cost) she would have made to earn Rs. 200, or 50 extra rupees, harvesting mustard. Saroj also still has the gift items she can sell in the market for Rs. 150. Saroj should help the</p> |

businesswoman because that gets her more money and allows her to help someone else.

The lesson here is not just that more is better. A businessperson should not always decide to do what will make more money. Instead, she should think about what she's giving up and make a conscious decision about her trade-off. If helping someone else is more valuable than making a little more money, she should help someone else.



**COST-BENEFIT ANALYSIS**

The most beneficial decisions give the most value. If someone faces a business choice, he should compare the time and money of what they cost and what he would get from them. One might be more expensive or take longer, but it might create more profit. If two choices will give the same profit, doing the one that costs less is a more efficient use of resources. The goal of this lesson is to understand how to compare different choices and choose the one that is better for a person and his business.

| Background   |
|--|
| A local market sells baby goats for Rs. 1,000 each and grown goats for Rs. 3,000 each. There are many goats for sale. In their villages, Mamta and Sarita each can sell a baby goat for Rs. 1,040 and a grown goat for Rs. 3,040 baht. They can sell up to three goats each. |

| Story A  | Story B  |
|--|--|
| Mamta goes to the market and sees a farmer selling goats. Mamta buys the grown goat, takes it to the village and sells it for Rs. 3,040. Mamta now has a profit of Rs. 40. | Sarita goes to the market and sees a farmer selling goats. Sarita buys the baby goat, takes it to the village and sells it for Rs. 1,040. Sarita now has a profit of Rs. 40. |

**Questions**

1. What happened?
  - a. What does Mamta do?
  - b. What does Sarita do?
2. Which goat costs more?
3. What does each profit?
  - a. If she buys the baby goat?
  - b. If she buys the grown goat?
4. Which would you buy?
  - a. If you had Rs. 2,000?
  - b. If you had Rs. 5,000?

**Optional activity****Questions**

5. What can your business buy that is more or less expensive but will make you more money? (Note: this can lead to a lesson/story about debt, a separate curriculum topic.)
6. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave the here? (Have each person commit to something specific.)
7. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| Lesson   |
|--|
| The benefit to Mamta and Sarita is the same: each makes a Rs. 40 profit. The costs are different: Sarita needs only Rs. 1,000 to buy the baby goat, while Mamta needs Rs. 3,000 to buy the grown goat. It is easier and more efficient to buy the less expensive thing if the profit will be the same. In other words, Sarita can buy three baby goats for the price Mamta pays for one grown goat – and make a profit three times what Mamta makes, which she can use for food or clothing or medicine. |

## PLANNING AND RECORDS

Creating a budget and planning helps people understand if they will have enough resources to meet their future needs. Keeping records is an easy way of remembering what you have. The goal of this lesson is to learn how planning and keeping records now can help future business decisions.

| Background  |
|---|
| Mamta and Sarita each have the same general store business. Each wants to buy a fridge to stock ice cream in the store.. The fridge costs Rs. 5000. |

| Story A   | Story B  |
|---|--|
| Mamta does not keep records. Mamta knows that she makes some profit each week but does not know how much. Mamta knows she does not have Rs. 5000 and cannot afford the fridge now. She also does not know how long it will take her to save Rs. 5000 . Mamta does not buy the fridge or plan to buy the fridge later. She continues to sell only her current items. | Sarita keeps written records. Sarita knows how much she has and how much profit she keeps at the end of every week. Sarita knows she does not have Rs. 5000 now and cannot afford the fridge now. However, Sarita records show that she can save Rs.500 every week and will be able to use her extra profit to buy a fridge in 10 weeks. Sarita buys the fridge in 10 weeks. When the fridge arrives, Sarita can sell ice cream worth Rs. 200 / week, making profit in 6 months. |

### Questions

1. What happened?
  - a. What does Mamta do?
  - b. What does Sarita do?
2. What is the difference between these two stories?
3. What does Sarita gain from keeping records?
4. How can Mamta plan better?
  - a. What kinds of records can Mamta keep?

### Optional activity

### Questions

5. What do you keep records of?
  - b. What could you keep records of?
6. What are you going to do differently now that you know this?
  - b. What will you commit to doing differently before you leave here? (Have each person commit to something specific.)
7. What do you think of other people's ideas?
  - b. Have each person support another student's idea.

| Lesson  |
|---|
| Written records provide information. The information in records makes it easier to plan and make better decisions. By keeping records, Sarita can plan for the future. Because she can plan, she can make business decisions about things in the future. For example, if she knows how much she makes every month, she can plan to buy something in the future that she cannot afford now without using debt. |

**INCENTIVES**

People do what they want. If a person gives someone else what that person wants in exchange for what the first person wants, she will do what the first person wants her to do. The goal of this lesson is to understand how incentives encourage people to work harder.

| <b>Background</b>   |   |
|---|---|
| Sunita and Anita are both wheat farmers. Each has extra wheat to farm and wants help from a neighbour who is also a wheat farmer. Each asks the neighbour for a full day of help.   |   |
| <b>Story A</b>  | <b>Story B</b>  |
| Sunita offers the neighbour some of the wheat that the neighbour harvests that day. Sunita's neighbour agrees to help for half of the day and returns to her own farm for the rest of the day because she can keep all of the wheat she harvests there. | Anita offers the neighbour milk from Anita's cows. Anita's neighbour does not have cows. Anita's neighbour agrees to help for the full day because she does not have a cow and wants milk to feed her family. |

**Questions**

1. What happened?
  - a. What does Sunita do?
  - b. What does Anita do?
2. What is the difference between these two stories?
3. What does Anita gain from offering milk?
4. What should Sunita offer to encourage her neighbour to work the full day?

**Optional activity****Questions**

5. Who helps you?
  - a. What incentives do you offer the people who work for you?
6. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave here? (Have each person commit to something specific.)
7. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| <b>Lesson</b>  |
|--|
| Incentives encourage people to work harder. Someone who values an incentive more will work harder. Anita's neighbour helps because she is getting something she does not have and otherwise would have to buy at the market. If a person offers someone else what she already has or can get easily, she might still accept the offer but probably will not work as hard as she would if he offered something she does not have or cannot get easily. Sunita's neighbour helps for only half a day, but she does not want more wheat than she already has and so prefers to work on her own farm. A good incentive can be used to get more help from people. |

**PRODUCTION**

Producing goods from raw materials adds value to them. Customers will pay extra for that value.

Because someone spends time making products, others do not have to. Customers will pay for the time someone else spends doing something. If the producer is really good and can produce quickly, she can produce more – and earn more. The goal of this lesson is to understand how production adds value to materials.

| Background   |
|--|
| Surendra and Virendra each grows the same amount of mustard. One kilo of mustard seeds sell in a nearby market for Rs. 20. One kilo of seeds can make 500 ml of mustard oil, which sells for Rs. 70 per litre. |

| Story A  | Story B   |
|--|---|
| Surendra harvests one kilo of mustard seeds and sells it. Surendra earns Rs. 20. | Virendra harvests one kilo of mustard seeds and makes oil. He makes 500 ml from 1 kg of mustard seeds. He earns Rs. 35 for each 500 ml of oil he sells. . |

**Questions**

1. What happened?
  - a. What does Surendra do?
  - b. What does Virendra do?
2. What do these people do differently?
3. What do you have?
4. What do you produce?

**Optional activity****Questions**

5. What can you produce from what you have?
6. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave the here? (Have each person commit to something specific.)
7. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| Lesson   |
|--|
| Production adds value to resources, allowing the producer to earn more. Especially in the case of common goods that people can buy from multiple sellers or grow themselves, like mustard, production creates useful, specialized goods that are more valuable to a buyer than the plain, raw goods are on their own. Making the oil takes longer than just selling the seeds, but Virendra earns Rs. 35 for every kilo of seeds by making them into oil, while Surendra earns only Rs. 20 and so must sell much more mustard to earn the same amount of money to feed his family. |

**DEBT**

Someone who borrows can benefit from what she borrowed while she has it but must pay it back. The goal of this lesson is to understand how borrowing can help your business grow and also to understand that debt can be risky.

| Background   |
|--|
| A young goat (kid) takes one year to become a grown goat and have baby goats. Usually, a goat has four baby goats. In these stories, Radha and Meera borrow one baby goat each. At the end of the year, each must repay what she borrowed. |

| Story A  | Story B  |
|--|--|
| Radha borrows a baby goat from Anita. Radha can use the goat, but she has to pay back the goat in one year. Radha feeds and breeds the goat. The goat has four baby goats. Radha does not feed her goats enough, and all the goats die. Radha is in debt to Anita. At the end of the year, Radha wants to pay off her debt, but she cannot because all her goats died. Radha cannot keep any profits until she repays Anita. | Meera borrows a baby goat from Anita. Meera can use the goat, but she has to pay back the goat in one year. Meera feeds and breeds the goat. The goat has four baby goats. Meera is in debt to Anita. At the end of the year, Meera wants to pay off her debt. She returns the goat she borrowed but keeps the baby goats. |

**Questions:**

- What happened?
  - What does Radha do?
  - What does Meera do?
- What do these people do differently?
- What have you borrowed? What have you paid back?
- What have you loaned? What have you asked for in return?

**Optional activity****Questions**

- What can you borrow now to earn more in the future? What will you have to pay back?
- What are you going to do differently now that you know this?
  - What will you commit to doing differently before you leave the here? (Have each person commit to something specific.)
- What do you think of other people's ideas?
  - Have each person support another student's idea.
- (Harder) What if instead of not feeding the goats right, Radha let other people borrow from Meera, and they have the accident? What is the lesson for Radha? What is the lesson for Meera?)

| Lesson   |
|--|
| Debt can be used to generate more profits, but the borrower must pay back what she borrowed. Debt has risks, too: if someone borrows, she owes no matter what happens to what she borrowed. For example, if she borrows something and loses it, she still owes. Debt can have great benefits: If someone borrows a goat that has four baby goats, she still has to repay one goat. She can gain from debt by keeping the other four goats. |

**INTEREST**

When someone borrows, she has to give back not only what she borrowed but also what the lender would have had at the time she repays him. Interest represents how a borrowed item changes over time. The goal of this lesson is to understand how interest affects borrowing.

| Background   |
|--|
| A calf takes two years to mature and have its own calves. Usually, a cow has two calves. Suman and Saroj own one calf each. Each lends her neighbour the calf. |

| Story A   | Story B   |
|---|---|
| Two years later, Suman's neighbour returns a calf. Suman now has exactly what she lent her neighbour. Suman must wait another two years before the calf is old enough to reproduce and able to give milk. | Two years later, Saroj's neighbour gives Saroj one adult cow and two calves. The neighbour keeps the milk the cow produced. Saroj now has what she would have had if she did not lend her neighbour the calf. |

**Questions**

1. What happened?
  - a. What does Suman do?
  - b. What does Saroj do?
2. What do these people do differently?
3. How can we apply it?
  - a. What if you borrow seeds? In a year, what do you owe?
  - b. What if you lend a grown cow? In a year, what do you expect from the borrower?
4. What have you borrowed?
  - a. What have you paid back?
  - b. What should you have paid back?
5. What do others borrow from you?
6. Apply to loan: If you take out a loan from a bank, in a year, what do you owe?
7. Apply to entrepreneur: What do you need to borrow to make your business work?
  - a. What can you pay back?

**Optional activity****Questions**

8. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave the here? (Have each person commit to something specific.)
9. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| Lesson   |
|--|
| In two years, a calf grows into an adult cow with two calves. If someone borrows a calf for two years, she should give back more than just the original calf she borrowed. Instead, the borrower owes what a calf becomes in one year, which is what the lender would have had if she did not lend the calf. Because Suman's neighbour repaid her with a calf, not a grown cow and two calves, Suman has less than she would have had if she did not lend the calf to her neighbour. |

**PRICE AND COMPETITION**

If someone is selling a product nobody else sells, she can charge more than if she's selling a product that others are selling. The number of other people who are selling the same product in the same location affects how much they can charge for it. The goal of this lesson is to learn how competition and price are related.

| Background  |
|---|
| Vidya and Gayatri have chickpeas to sell in a market. There are two nearby markets, and one already has vendors who sell chickpeas. |

| Story A  | Story B  |
|--|--|
| Vidya sells in the market where other vendors sell chickpeas. Because Vidya's price is higher than other vendors' prices, Vidya has to lower her price to sell any chickpeas. Vidya sells fewer chickpeas and only at a lower price. | Gayatri sells in the market where no one else is selling chickpeas. Customers pay Gayatri's price because Gayatri is the only one selling chickpeas. Gayatri sells all of her chickpeas at her original price. |

**Questions**

1. What happened?
  - a. What does Vidya do?
  - b. What does Gayatri do?
2. What is the difference between these two stories?
3. Who has more competition, Vidya or Gayatri? Why?
4. Who sells more chickpeas? Why?
5. Who earns more money? Why?

**Optional activity****Questions**

6. Where do you sell your product?
7. How many other people in the market sell a similar product?
  - a. What do others charge for the product?
  - b. What do you charge for the product?
8. Is there a market where no one else sells your product?
  - a. What could you charge for the product there?
  - b. What else could you gain by selling the product there?
  - c. What could you lose by selling in a different market?
9. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave here? (Have each person commit to something specific.)
10. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| Lesson   |
|--|
| When products are the same, customers buy from the vendor who sells at the lowest price. Competition forces Vidya to lower her prices because she otherwise would not sell any chickpeas. Gayatri sells more chickpeas at a higher price because she sells in a market where there is no competition. Gayatri uses the extra profit to buy clothing and food for her family. |

**MARKETING**

Customers buy products they want and need. The goal of this lesson is to understand that showing how a product meets a customer's wants and needs can improve sales of that product.

| <b>Background</b>   |  |
|---|--|
| Kiran and Shobha sell advertising space in a local magazine for the same price. Each hopes general store owners will buy her space. The advertisements are expensive. Without an explanation, general store owners do not understand why they should buy advertising space. |  |
| <b>Story A</b>  | <b>Story B</b>   |
| Kiran tries to sell advertising space but does not explain to the general store owners why they should spend their profit on advertising. As a result, Kiran does not sell any space and makes no money.  | Shobha explains to the general store owners what use advertising space is and how they can increase their sales. Shobha brings testimonies of others that have advertised to the general store owners and invites them to look at other adverts and speak to other owners that have used the service. As a result, she sells many adverts and can better support her family. |

**Questions**

1. What happened?
  - a. What does Kiran do?
  - b. What does Shobha do?
2. What do these people do differently?
  - a. Why do customers buy different amounts from Kiran and Shobha?
3. What are your wants and needs?
4. Who are your customers?
  - a. What do your customers want and need?

**Optional activity****Questions**

5. How does your business meet your customers' needs and wants?
  - a. How do you market that?
  - b. Discuss within the group ideas for better understanding and meeting your customers' needs and wants.
6. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave the here? (Have each person commit to something specific.)
7. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| <b>Lesson</b>   |
|---|
| Marketing shows customers how a product meets their wants and needs. Kiran and Shobha have the same product, but because Shobha explains how the product meets her customers' needs, they understand why paying for the product gets them more money. Marketing is about understanding wants and needs: If a customer understands why she needs a product, she will buy it. If a businessperson understands what her customers want and need, she can show them how her product |



meets their needs. If she understands her customers better than her competitors do, she will have a more successful business.

**SPECIALIZATION**

Specialization allows a business to do something better or faster than others, so the business will have more customers and make more money. Customers value a better product or faster service and might pay more for it. The goal of this lesson is to understand the benefits of specialization.

| <b>Background</b>   |  |
|---|--|
| Saroj and Mamta each has a samosa stall. Each sells samosa chaat for Rs.5.  |  |
| <b>Story A</b>  | <b>Story B</b>   |
| Saroj wants to get as many customers as she can, so she also sells paapadis, puchkas, kachoris, and cutlets. Other stalls nearby sell the same options. Saroj sells lots of kinds of snacks. Each day, she sells food to 50 people and earns Rs. 250. | Mamta sells just one snack, of samosa chaat. Other stalls have more choices, but her chaat is the best samosa chaat in the market. Because she has more experience with the one snack, she makes it faster and better. Customers know that she specializes in great samosa chaat. She sells the chaat to 75 people each day. She makes Rs. 375 a day and uses the money to buy medicines for her children. |

**Questions**

1. What happened?
  - a. What does Saroj do?
  - b. What does Mamta do?
2. What do these people do differently?
3. What do you do better than other businesses? What do you do faster than other businesses?
4. What do you do that's the same as other businesses? How can you do that better/faster?

**Optional activity****Questions**

5. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave the here? (Have each person commit to something specific.)
6. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| <b>Lesson</b>   |
|---|
| It is better to be the best at one business skill than only good at lots of them. If someone becomes an expert in something and does it better or faster, she has an advantage. She can be more successful by specializing in one thing and trading that with someone else who specializes in something else. |

**PRICE AND QUANTITY**

Some items are rare and some are plentiful. Customers will pay more for items that are hard to find because many others also want them or because they are rare. Customers will pay less for items that are plentiful because not many others want them or because they are easy to find. The goal of this lesson is to understand how customer demand and availability of an item affect its price.

| Background   |
|--|
| Virendra and Narendra both want to sell fruit in the nearby market and need to decide what kind to sell. There are other fruit vendors on the street. Most fruit vendors sell oranges and bananas. Only a few vendors sell pineapples. |

| Story A  | Story B  |
|--|--|
| Virendra decides to sell bananas. Because many others sell bananas, Virendra does not have many customers. Virendra does not sell much fruit. Also, some people want Virendra to lower his price or they will buy from other vendors. Virendra has leftover fruit at the end of many days and does not make much profit. | Narendra decides to sell pineapple. There are not many people selling pineapples because it is hard to find, but Narendra knows that people like it. Narendra can set the price for pineapple above his costs and people will pay the full price because they cannot buy pineapple elsewhere. Narendra sells all his fruit each day and makes a good profit, which he uses to pay for school for his children. |

**Questions**

1. What happened?
  - a. What does Virendra decide to sell?
  - b. What does Narendra decide to sell?
2. Why does Virendra decide to sell bananas?
  - a. Why does selling bananas not work very well?
3. Why does Narendra decided to sell pineapple?
  - a. Why does selling pineapple work well?
4. What is the difference between these two stories?

**Optional activity****Questions**

5. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave here? (Have each person commit to something specific.)
6. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| Lesson  |
|---|
| If someone wants something, she will pay for it. If she wants more, especially if there is not enough for others who want it, she will pay more. If someone is selling something popular, she can charge more for it than she can charge for something few people want. |

**PROFIT**

Profit is the amount of money collected for an item after its costs are paid. To make a profit, customers must pay a price that is larger than what the seller paid for the goods. Costs include materials, electricity, tools to make the goods, and payment for the businessperson's time. The goal of this lesson is to understand how to calculate and earn profit.

| Background   |
|--|
| Rahul and Anil each has a business selling small baskets. Each paid Rs. 20 for one basket and charges Rs. 30. There are few customers today, and Rahul and Anil have no savings to buy food. Each worries that he will not have enough money for food if he does not sell baskets today. |

| Story A  | Story B   |
|--|---|
| Rahul decides to sell a basket for Rs. 15 so he will have money for dinner. Rahul has Rs. 15 to buy food but lost Rs. 5 because he paid Rs. 20 for the basket. | Anil knows that he needs a Rs. 10 profit to feed his family. Anil refuses to sell a basket for less than Rs. 30, which eventually gives him Rs. 10 in profit: Rs. 30 minus the Rs. 20 he paid. Anil uses the profit to buy food for his family. |

**Questions**

1. What happened?
  - a. What is the profit for Rahul?
  - b. What is the profit for Anil?
2. What is the difference between these two stories?
3. How does Anil benefit by not selling?
4. How can Rahul make a profit?

**Optional activity****Questions**

5. What do you sell?
  - a. What are your costs?
  - b. What is your price?
  - c. What is your profit?
6. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave here? (Have each person commit to something specific.)
7. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

| Lesson  |
|---|
| It is important to know what goods cost to set their prices above costs to make enough profit to buy food, clothing, books and medicines. If a businessperson sets prices below costs, the businessperson will lose money by selling items even if he has money from selling those items. If Anil sells for less than Rs. 20, he will lose more money than if he sells nothing. Anil knows his costs and refuses to sell unless he makes a profit. Rahul sells more but lost profit because he sells for less than his costs. |

**TRADE**

Different people and businesses are better at different things. If they trade items that are worth the same amount, they both can gain more. The goal of this lesson is to understand how trade can save time and money.

| <b>Background</b>   |   |
|---|---|
| Suresh and Santosh each have a farm. During the rainy season, the crop is strong, and each harvests and sells as much millet as he can on his own but does not have time to harvest or sell the entire crop. Suresh and Santosh's goats each had one extra baby this year. Virendra and Arun own goats that did not have baby goats this year. One baby goat costs the same amount as paying someone to harvest millet for one month. |   |
| <b>Story A</b>  | <b>Story B</b>  |
| Suresh pays Virendra to harvest and sell millet with him for one month. At the end of the month, Suresh has harvested and sold all his millet and Virendra has earned enough money to buy a baby goat. Suresh does not have enough money to buy food in the dry season and is left with one extra baby goat.  | Instead of paying Arun to harvest and sell millet with him for one month, Santosh gives Arun one baby goat. At the end of the month, Santosh has harvested and sold all his millet and Arun has goat. |

**Questions**

1. What happened?
  - a. How does Suresh pay for Virendra's time?
  - b. How does Santosh pay for Arun's time?
2. What is the difference between these two stories?
3. Who gains more? Why?
  - a. Suresh or Santosh?
  - b. Virendra or Arun?
4. How could Suresh gain more?
5. (Harder) If Suresh and Santosh had no money to pay someone to harvest and sell millet, how could they pay for help?

**Optional activity****Questions**

6. What can you produce cheaper, quicker or better than others?
  - a. What can others produce cheaper, quicker or better than you?
7. What do you trade?
  - a. What do you have too much of?
  - b. What do you not have enough of?
8. What are you going to do differently now that you know this?
  - a. What will you commit to doing differently before you leave here? (Have each person commit to something specific.)
9. What do you think of other people's ideas?
  - a. Have each person support another student's idea.

**Lesson**

When two people trade, they both are more successful because each gives up something he has leftover or does better for something he needs or does not do as well. Santosh and Sursh each hire someone to help harvest her extra millet crop so it does not go to waste, but Santosh knows that his extra baby goat would be more valuable to Arun than money would be. Santosh and Arun gain more than Suresh and Virendra because each trades what he has for what the other needs. Because Santosh trades his extra baby goat for Arun's time, Santosh has enough money to buy food in the dry season and no extra goats, and Arun has the baby goat. Even without money, people can trade valuable goods and make each other more successful.

**SOURCES****PEOPLE**

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**ORGANIZATIONS****ACCIÓN**

Aga Khan Development Network  
Ashoka  
BizWorld/NCEE  
Catholic Relief Services  
Consortium for Entrepreneurship Education  
Corporation for Enterprise Development (CFED)  
Consultative Group to Assist the Poor (CGAP)  
Department for International Development (DFID)  
Development Gateway Foundation  
FINCA International  
First Step Fund  
Food and Agriculture Organization of the United Nations  
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Kiva  
Livelihoods Network  
National Council on Economic Education (NCEE)  
National Foundation for Teaching Entrepreneurship (NFTE)  
Population and Community Development Association (PDA)  
Project Baobab  
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Stanford Graduate School of Business  
Stanford University, Department of Economics  
Stanford University School of Education

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Take Charge America  
Teach a Man to Fish  
TrickleUp  
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Village Enterprise Fund  
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We welcome feedback from future readers and users of the Barefoot MBA. Please e-mail [info@barefootmba.org](mailto:info@barefootmba.org) with your questions, comments or suggestions for improvement.

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<sup>††</sup> The Barefoot MBA contained in these pages is not affiliated with Barefoot College, a network of sites in India dedicated to empowering people to innovate their way out of poverty.

## APPENDIX: ADAPTATION GUIDE

The elegance of the Barefoot MBA lies in its portability: it seeks to encompass a set of business concepts so fundamental that their comprehension benefits anyone anywhere. With portability, though, may come the assumption that the Barefoot MBA purports to be a one-size-fits-all curriculum. It does not. Because the Barefoot MBA's concepts are universal, only the specific examples need adapting. We hope that minor adjustments to this document make its content topically and culturally relevant wherever it ends up. The same adaptation process can transform the lessons contained herein to meet the needs of a rice farmer in Thailand, a sari weaver in India or a basket maker in South America. This appendix captures how we would adapt the Barefoot MBA to other regions.<sup>††</sup> Though we hope it guides future adaptations in new places, we do not intend the below to be more than a general guide.

To most effectively adapt the Barefoot MBA, the lessons in this curriculum must reflect the context of local lives, businesses and markets. Think about what local people need to learn. Ultimately, remembering the keyword of each lesson is less important than understanding how to apply the underlying concepts. Emphasize procedural learning over declarative learning.

The Barefoot MBA seeks to encourage activity that is a more profitable, efficient use of resources than students would undertake without it. Therefore, in practice, the Barefoot MBA is not the 16 lessons listed on page 7 and detailed on the subsequent pages. Even a comprehensive adaptation of the Barefoot MBA in a given place might not include more than about half the total lessons because some lessons capture the same underlying concept and some might not be relevant there. Only by talking to people on the ground can a person determine which lessons are necessary and relevant. Local experts — especially those affiliated with an organization that has worked with the target population, is helping to implement the curriculum or both — are essential.

Six basic questions guide the adaptation process:

1. Who is in the target audience?
2. What are the local, existing and potential business opportunities?
3. What do they know about business?
4. What do they need to know?
5. How do they learn?
6. When and where will the lessons be taught?

### 1. Who is in the target audience?

Knowing basic details about the eventual recipients of the Barefoot MBA can shape its very core. Though the Barefoot MBA is designed to reach anyone, tailoring it to the people in question can improve its efficacy. Understanding who those people are is best done in person, by observing them in their natural environments, seeing their everyday successes and struggles and asking the right questions. For example:

- What are their demographics?  
Many basic business curricula target women specifically. (Ours does not.) Older people may be more averse to formal classroom environments than younger ones because they have not

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<sup>††</sup> We are MBAs, not development professionals or educators, and though in rural Thailand we successfully adapted our original guide using the process outlined here, we defer to the latter groups of experts on questions of content and pedagogy. We also welcome and encourage their feedback.

encountered formal schooling in a long time, if ever. The names in the stories should reflect the gender and regional popularity of the target population.

- How literate are they?  
The Barefoot MBA seeks to avoid literacy as a prerequisite to understanding its lessons, but even basic reading and writing skills expand the range of possible supplemental activities. Additionally, those who have not seen a classroom in a long time may be especially anxious about a formal teaching environment or may require culturally specific icebreakers to lessen their anxieties.
- Have they received micro-loans?  
Especially where the Barefoot MBA is used in conjunction with a micro-loan program, a businessperson's stage in the micro-loan process shapes the needs that the Barefoot MBA can meet.

## **2. What are the local, existing and potential business opportunities?**

Farmers may be just as educated as factory workers nearby, but their different occupational contexts warrant different market examples – and possibly a different assortment of lessons. The types of local businesses also provide examples to populate the stories, both in business type and in accurate costs and economics of those businesses. Some useful data points are: local business types, raw material costs, production time and costs and costs of finished goods.

An ideal mix of students contains at least two with any given type of business, to provide support to each other, and at least two others with a different type of business, to extend the application of the concepts beyond a single context. Though it may be difficult to control business types at any given time, where there is great demand, we recommend encouraging a diversity of business types, not separating them into homogeneous groups.

## **3. What do they know about business?**

What, and from whom, do they learn skills and receive financial and business advice? This is an extension of the above question but deserves special mention because its answer shapes the curriculum customization that follows. Understanding what people know about business provides a basis for prioritizing and adjusting the remaining lessons. It does not mean that these lessons can or should be avoided to prevent reteaching subjects. As explained below, there can be great value in repeating lessons.

## **4. What do they need to know?**

In theory, the answer to this question should be the difference between the set of fundamental business concepts and the subset of concepts articulated in answering the question above. But theory does not always translate perfectly into practice. Though we recognize that the Barefoot MBA is not perfect, we defer to the list of fundamental business topics on page 7 when determining the set of fundamental business concepts from which an adapter should subtract the subset that students understand already. It is easy to think that one can start with the list of topics on page 7, delete those that formed the answer to the above question about existing knowledge and be left with a curriculum appropriate for the target audience. Easy indeed, but not the best solution because simple deletion would overlook important details that the Barefoot MBA seeks to embrace.

To effectively benefit from this curriculum, students must be able to separate the lessons from the context of their personal experiences and see the concepts as independent – and thus applicable to any situation. Teaching concepts students may profess to already know can still prove beneficial. By freeing concepts from the context in which they have been learned, students can apply old concepts to new situations, helping themselves and others make better, more informed business decisions.

Because this is a generalized curriculum, not all lessons apply in all areas. For example, in areas with weather risk, it is important to teach diversification and, to avoid contradiction and confusion, may be more effective to skip specialization.

Some lessons reinforce the same general concept. For example, saving, interest and cost-benefit analysis all teach more efficient uses of money. In some circumstances, the three can be combined into a single lesson, whereas in others only one need be taught while in certain cases, teaching all three lessons might appropriately reinforce the similarities and differences among them.

## **5. How do they learn?**

Pedagogy is just as important as, if not more important than, content. We designed the Barefoot MBA to maximize students' engagement without assuming any prior knowledge or even literacy. Depending on the circumstances or culture of a place or its students, the curriculum can and should be adapted to most appropriately meet the pedagogical needs and expectations of each target audience.

For example, in Thailand we discovered that even our storytelling-and-guided-discussion model was not sufficiently interactive. With the encouragement and guidance of our local experts, we created market-based simulations to accompany each day's lesson or lessons. A list of suggested lesson pairs from which integrative activities can be generated is on page A-5. Other ways to involve students include acting out the stories in skit form and telling the stories using felt or magnet illustrations to bring the characters and objects to life. The lesson plans and props we used in the pilot sessions are included at the end of this guide, starting on page A-5.

Each Barefoot MBA lesson notes an appropriate time for an activity. In most cases, we suggest engaging students in an activity after they answer basic questions that review the stories but before applying the stories' lessons to their own lives. The most effective activities reinforce the lessons through thoughtful actions so that students can answer the balance of the questions based not only on the substance of the stories but also on personal experience.

Icebreakers are another way to involve students – and familiarize them with each other and with the environment, which, if a classroom, most have not recently encountered, some left long ago with bad memories and others have not encountered at all. We entrusted local experts with explaining and executing simple activities that energized students and put them at ease.

## **6. Where and when will the lessons be taught?**

The location and timing of lessons can play a large part in the success (or failure) of a curriculum implementation.

- **Location**

The Barefoot MBA can be taught in any location where people can gather relatively undisturbed in a circle. Ideally, the Barefoot MBA should be taught in a community center or multi-purpose room with which students are comfortable and where students can sit in a circle and interact with each

other and with the instructor(s). Though flip charts may be appropriate in some places, the Barefoot MBA is not designed to be taught in formal classrooms with desks and blackboards. The site's physical proximity to its students' homes and work should be carefully balanced with the comforts of more formal, and perhaps distant, locations, as distance can and will dictate the timing of the lessons. (See below.)

- Timing

Will the lessons be taught in many short sessions over the course of several days or weeks (e.g., weekday evenings)? Will they be taught in a few long sessions (e.g., an entire weekend)? The practicalities of how far students will travel and what they have to forego to attend lessons can drive the format of the lessons. The same number of lessons taught over the same amount of time can be executed very differently if taught over many short sessions or a few long sessions. Each pair of lessons on page A-5 should be able to be taught in about two hours. Combine or separate them to fit the needs of a specific community.

**SUGGESTED LESSON PAIRS**

- Opportunity cost
- Spending
  
- Saving
- Investing
  
- Cost-benefit analysis
- Incentives
  
- Debt
- Interest
  
- Production
- Marketing
  
- Specialization
- Price and competition
  
- Trade
- Profit
  
- Price and quantity
- Planning and records