

## ADDITIONAL NOTES

## Preface

Participating in the global aquarium fish industry requires that fishermen understand their business and build capacity to participate effectively (and profitably) in the trade. Business management skills required of fishermen and their cooperative "business units" include:

- Understanding the global aquarium fish trade - supply chain, role of Indonesian fishermen and exporters, market demand from United States, Europe, etc.
- Organizational management and governance - coordinating efforts through a cooperative or group of fishermen in the same area.
- Marketing and buyer relations - working with exporters.
- Operations management - planning, control, documentation, etc.
- Financial management for the "business unit" - accounting, cash flow, book keeping, financial reports and projections.

Most fishermen participating in the trade here in Indonesia lack many of these basic skills. They do not understand their role, and their potential, as stakeholders in the aquarium fish industry.

CCIF, working with the Marine Aquarium Council and Reef Check, has developed this Business Management Training and this ***Fishermen's Booklet*** to provide fishermen with the training and capacity building necessary to effectively compete and conform to standard best practices in the marine aquarium fish industry.

This **Fishermen's Booklet**:

- Highlights and summarizes the important notions/concepts of the business management training,
- Provides visual help and presents different tools useful in a business context,
- Is a source of information and a reminder for the fisherman to refer to, after the training.

Feel free to use this **Booklet** for your own purposes - recording important notes and information that will help you as you build your Business Management capacity! This **Booklet** provides blank pages for this purpose!

Editor

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**ADDITIONAL NOTES**

## ADDITIONAL NOTES

Financial Management: Basic Level - Fishermen

# My Self, My Work, My Industry and My Community

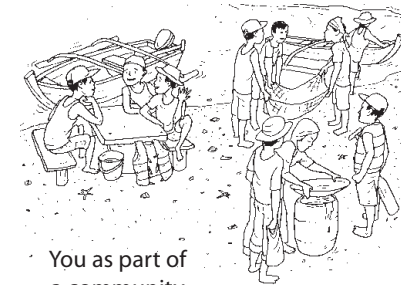
## Who am I? Who are we?



You as a person



You as part of a small group



You as part of a community



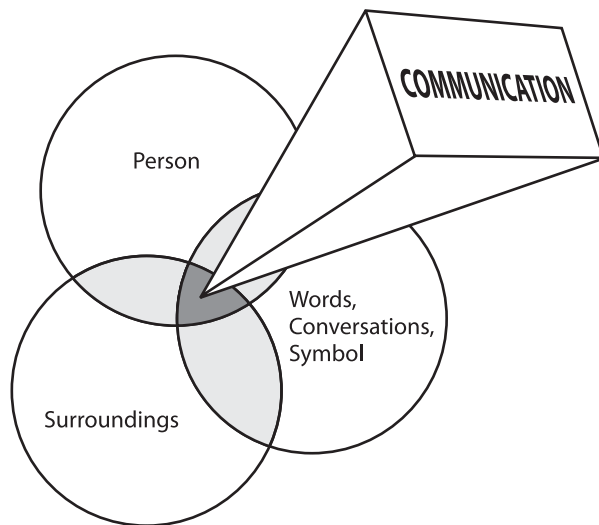
You as part of the wider society

Only when you begin to recognize that you, as an individual, are an important part of a society will you start to think of contributing to society in a positive way.

## Communication

### Why do we need to communicate?

Communication makes a person understand and share meanings with others. Understanding and sharing meanings become possible only through respectful listening to what another person has to say, and how they say it. Conversation is an art that everybody can become good at.



Communication can be influenced by:

- who you communicate with,
- the words you use, how you say them, your body language, and,
- the surroundings where you communicate.

## ADDITIONAL NOTES

Financial Management: Basic Level - Fishermen

### Example of Income Statement

Period Covered: \_\_\_\_\_

<b>Revenue:</b>		
Sales		
Coordinator's Fee		
Reimbursement of Freight		
Total Revenue		<b>Rp</b>
Less ---->	<b>Variable Expenses:</b>	
Fish		
Boat Rental		
Freight		
Gasoline		
Others (specify)		
Total Variable Expenses		<b>Rp</b>
Net Income before Fixed Cost		<b>Rp</b>
Less: ---->	<b>Fixed Expense:</b>	
Depreciation		
Interest on Loan		
Others (specify)		
Total Fixed Expenses		<b>Rp</b>
Net Income (Net Loss)		<b>Rp</b>

#### A few hints that can help you in conversation ...

- Be careful with your words.
- Speak with integrity.
- Be clear and concise.
- Say only what you mean.
- Avoid using words to speak against yourself or to gossip about others.
- Don't take anything personally - Nothing others do is because of you.
- In a training context, especially, there should be no penalties for 'wrong' answers.
- Don't dismiss or reject anyone's ideas or opinions too prematurely. Stay open minded.
- In many cultures we are taught to be proud of what we know and ashamed of what we do not know. We have to overcome this feeling of shame if we are to be able to continue learning throughout life!
- Don't make assumptions - Find the courage to ask questions and to express what you really want. Communicate with others as clearly as you can to avoid misunderstandings, sadness, and drama.

Understanding and recognizing these hints can completely transform your life!

### From The Past on Our Way to a Great Future

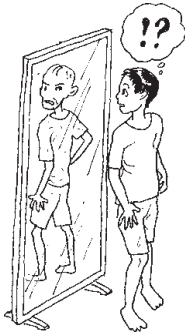
#### My past...

We can all learn from our past mistakes to grow and to avoid repeating those mistakes.

## How can we change ourselves?

When I approach the matter of making change, I can ask myself some questions like:

1. How do I feel about myself? (self esteem)



4. How do I react to doing things that are new and different (Taking risks)?



2. How do I get my meaning across to others? (communication)



3. How do I deal with my feelings? Do I own them or put them on someone else (blame them for the way I feel)? Do I ever act as though I don't have certain feelings (I deny my feelings), or express feelings that I don't really have? (fooling ones self or others).



5. How do I overcome fear of failure?



## Account Distribution

### Classified as Cash In Accounts

Needs to be discussed and determined from the beginning. Then name accordingly the account source of cash received, for example:

- capital,
- cash sales,
- receivable collection/loan.

### Classified as Cash Out Accounts

Once determined, post accordingly cash disbursed. For example:

- fish purchase,
- packing materials,
- transportation, etc.

## Financial Reports Useful for Subsequent Planning and Decision Making

**Income Statement** - Includes: (see example on page 50)

- the total income or sales for a particular period,
- the related itemized expenses, and
- the net income or loss for that period.

**Balance Sheet** - presents the balance of the assets, liabilities and capital of the business.

- Assets: Cash on Hand, Cash In Bank, Receivable, Inventory, Cash Advance and Equipment, etc.
- Liabilities: Payables to suppliers, Unpaid wages, etc.
- Capital: Cumulative balance of the equity of the business owner.

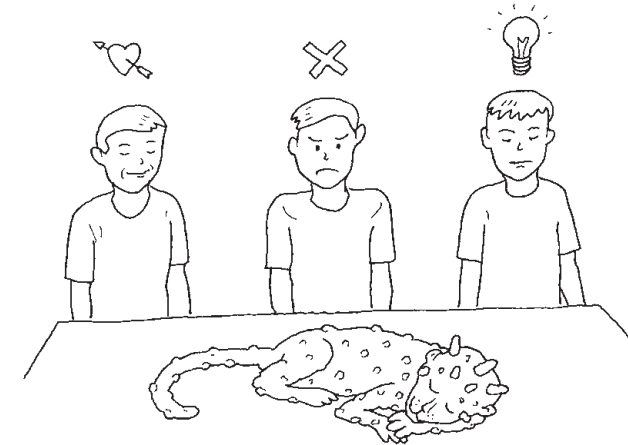
$$\text{Assets} = \text{Liabilities} + \text{Capital}$$



	Account Distribution / Grouping						
	Cash In			Cash Out			
	Sales	Borrowed Money	...	Fuel	Supplies	...	
Cash	In	Out	Balance				
Description							
Date							

## Transformation: changing the future

A willingness to change.



People react to changes. A trick is to accept that there will be a wide range of reactions, some positive, some negative, based more on perception and emotion than on anything that actually makes sense.

### What is change?

Change involves adapting to new conditions, solving problems and learning from experiences.

### Why do we need to change?

Change is needed to vitalize, energize, actuate, activate, and renew the individual, or on a larger scale, the community.

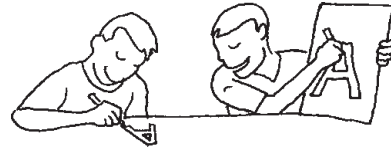
### Grow as a group: Recognize leadership types.

There are different types of leadership. While you are part of a group it is important to recognize the good leaders. Roles of a good leader are:

- **Facilitator:** ensures that there is good communication in the group.



- **Animator:** Stimulates people to identify problems and find new solutions. Increases creative and constructive team work.



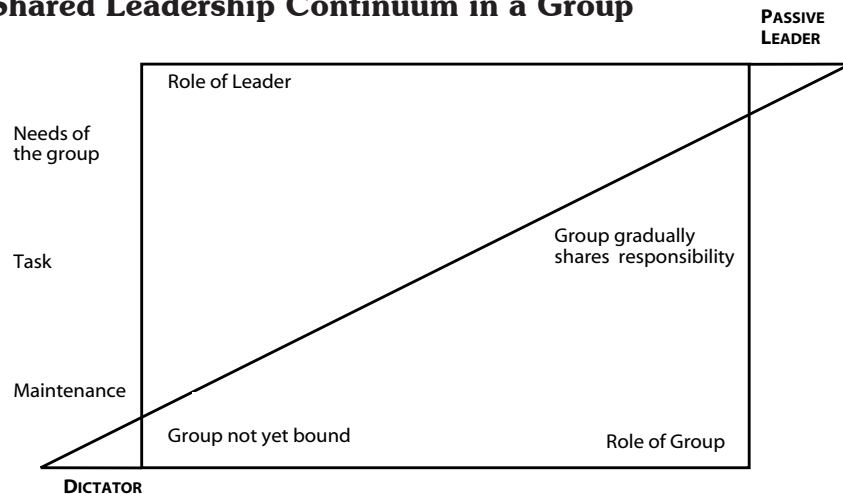
- **Coordinator:** Draws the people and events together in such a way they support and strengthen each other.



The leader has two main responsibilities in the group:

- One is to help the group complete its task or work,
- The other is to maintain good spirits and bonding within the group.

### Shared Leadership Continuum in a Group



## Income and Expense Accounting System

### Business cash ledger

A tool to keep track of the cash in and out.

Cash received (in) and disbursed (out) are recorded, accompanied by the date and explanation of each transaction. The remaining balance is calculated after adding or deducting the related cash transactions (see example on page 48).

### Cash In

The amount received which increases the outstanding balance. This includes:

- Sales,
- Collection of sales on accounts receivable,
- Borrowed money,
- Payments received from cash advances.

### Cash Out

The amount paid or disbursed which decreases the outstanding balance. This includes:

- Purchase of packing materials,
- Payment of transportation or purchase of fuel/gasoline,
- Payment for communications (telephone bills, fax bills, stamps),
- Purchase of office supplies and other materials,
- Cash advance releases.

### Balance

Indicates the remaining money left after adding or deducting the amounts recorded under Cash-In and Cash-Out.

The balance as appearing in the Cash Ledger should equal the actual cash balance on hand and/or in the bank.