



**Learning Conversations for Entrepreneurs and Their Partners**

*VERSION: Rural Thailand*

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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.\* 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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\* 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>†</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>‡</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 4), compiled a list of topics (page 6) 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>§</sup>

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

<sup>‡</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>§</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.

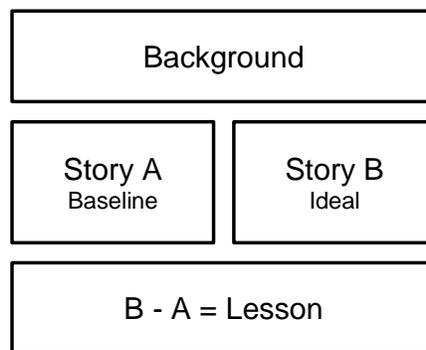
   
Katherine      and      Scott

BANGKOK, THAILAND  
August 3, 2007

## 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.\*\* 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.



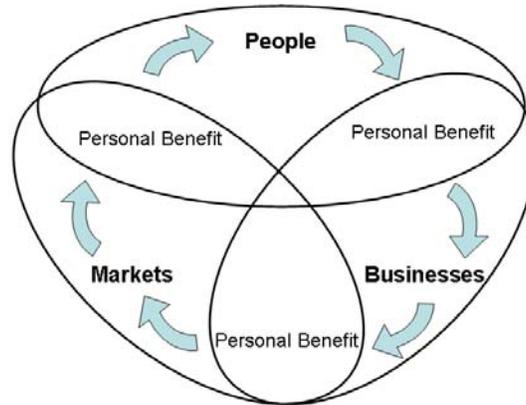
Guided discussions followed by hands-on activities are a good way to engage students and give them first-hand experience with the lessons. By learning these lessons in groups, ideally of 6 to 20 students, the students begin to form professional networks that we hope will support them as their businesses 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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\*\* 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.

Background
Sit and Kalaya have identical soybean 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.

Story A	Story B
Sit spent her profit from last year. After the drought this year, she has no money to buy food and medicine for her family.	Kalaya kept her profit from last year in a jar. After the drought this year, she still has money to buy food and medicine for her family.

**Questions**

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

Lesson
Kalaya understands the benefit of saving, so she kept her profit from last year in case something unexpected happened this year. When there is a drought, she has money to buy food and clothing for her family. Sit does not understand the benefit of saving, so although she had money during the strong crop last year, she did not save any, and she 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>	
Vanida and Pang each has a rice-growing business. After paying for food, clothing and other basic needs, each has 500 baht at the end of the month.	

<b>Story A</b>	<b>Story B</b>
Vanida does not spend her 500 baht. She keeps it for next year's crop in case she needs it.	Pang uses the profit to buy catfish, which she raises and sells to other villagers. Each month, she pays 300 baht for the catfish and receives 1,000 baht when she sells them. Pang has profit of 500 baht from selling rice plus a profit of 700 baht from selling catfish. Pang now earns extra money she can save in case of drought or flood, or invest in a cow, a fruit tree or more fish.

**Questions**

1. What happened?
  - a. What does Vanida do?
  - b. What does Pang do?
2. What is the difference between these two stories?
3. Who makes more money/profit, Pang or Vanida? Who invests it?
4. If Vanida and Pang both buy something for 500 baht, 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>
Vanida saves her profit but it does not grow, so she has only what she saves. Pang uses her profit to invest in another business. Pang spends some of her profit to make even more profit. Now Pang 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>
Kulap and Tola each has 1,000 baht in profit from selling rice. Kulap and Tola spend their profit at the same nearby market.

<b>Story A</b>	<b>Story B</b>
Kulap spends her profit on a new mobile phone. Kulap already has a phone but likes the new one because it has new colors and features.	Tola spends her profit on a used bicycle. Tola can use the bicycle to take her goods to market and also to take her sick daughter to the hospital.

**Questions**

1. What happened?
  - a. What does Kulap do?
  - b. What does Tola do?
2. What is the difference between these two stories?
3. How does Tola's purchase help her?
  - a. What else could Tola purchase to help her business?
  - b. What else could Tola purchase to help her family?
4. How does Kulap's purchase not help her?
  - a. What else could Kulap purchase that does not help her business?
  - b. What else could Kulap purchase that does not help her 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>
Tola spends her money to help her family. Though Tola can choose to save her profit or invest it, she also can choose how to spend it. Tola chooses to spend her profit to help her business and family. Kulap decides to spend her money on something she already has. Because of Kulap's choice, her spending does not help her, her business or her 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>	
Narissa and Pang each has a business selling plates in the market. Each earns 200 baht per day.	
<b>Story A</b>	<b>Story B</b>
Another businesswoman needs help harvesting soybeans and asks Narissa for help. The businesswoman will pay 150 baht per day for Narissa's help.	Another businesswoman needs help harvesting soybeans and asks Pang for help. The businesswoman will pay 250 baht per day for Pang's help.

**Questions**

1. What happened?
  - a. What does Narissa do?
  - b. What does Pang do?
2. What is the difference between these two stories?
3. Who has more at the end of the day, Pang or Narissa?
  - a. If selling plates?
  - b. If harvesting soybeans?
4. What is the cost not to sell goods in the market?
  - a. What does Pang give up (not have) by harvesting soybeans?
  - b. What does Narissa give up (not have) by harvesting soybeans?
5. What does each lose or gain by harvesting soybeans? Who gains more?

[Optional activity]

**Questions**

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

<b>Lesson</b>
<p>Narissa must choose between earning 200 baht selling plates in the market and 150 baht helping to harvest soybeans. If she chooses to harvest soybeans, she gives up 200 baht in exchange for 150 baht. Her opportunity cost is 200 baht, and she makes 50 baht less that day. Narissa still has the plates she can sell in the market (inventory) for 200 baht. What Narissa should do here depends on how much she values helping someone else and how much she values the 150 baht.</p> <p>Pang must make the same choice, between selling plates in the market for 200 baht and harvesting soybeans, this time for 250 baht. If Pang harvests soybeans, she gives up the 200 baht (her opportunity cost) she would have made to earn 250 baht, or 50 extra baht, harvesting soybeans. Pang also still has the plates she can sell in the market for 200 baht. Pang should help the businesswoman</p>

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 pigs for 1,000 baht each and grown pigs for 3,000 baht each. There are many pigs for sale. In their villages, Mali and Daw each can sell a baby pig for 1,040 baht and a grown pig for 3,040 baht. They can sell up to three pigs each.

Story A	Story B
Mali goes to the market and sees a farmer selling pigs. Mali buys the grown pig, takes it to the village and sells it for 3,040 baht. Mali now has a profit of 40 baht.	Daw goes to the market and sees a farmer selling pigs. Daw buys the baby pig, takes it to the village and sells it for 1,040 baht. Daw now has a profit of 40 baht.

#### Questions

1. What happened?
  - a. What does Mali do?
  - b. What does Daw do?
2. Which pig costs more?
3. What does each profit?
  - a. If she buys the baby pig?
  - b. If she buys the grown pig?
4. Which would you buy?
  - a. If you had 2,000 baht?
  - b. If you had 5,000 baht?

[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 Mali and Daw is the same: each makes a 40-baht profit. The costs are different: Daw needs only 1,000 baht to buy the baby pig, while Mali needs 3,000 baht to buy the grown pig. It is easier and more efficient to buy the less expensive thing if the profit will be the same. In other words, Daw can buy three baby pigs for the price Mali pays for one grown pig – and make a profit three times what Mali 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

Mali and Daw each has the same business growing rice. Each wants to buy baby catfish to grow in part of the rice field. The fish cost 300 baht.

#### Story A

Mali does not keep records. Mali knows that she makes some profit each week but does not know how much. Mali knows she does not have 300 baht and cannot afford the fish now. She also does not know how long it will take her to save 300 baht. Mali does not buy the fish or plan to buy fish later. She continues to sell only rice.

#### Story B

Daw keeps written records. Daw knows how much she has and how much profit she keeps at the end of every week. Daw knows she does not have 300 baht now and cannot afford the fish now. However, Daw's records show that she can save 100 baht every week and will be able to use her extra profit to buy fish in three weeks. Daw buys the fish in three weeks. When the fish grow fat, Daw can sell them for 1,000 baht, a profit of 700 baht.

### Questions

1. What happened?
  - a. What does Mali do?
  - b. What does Daw do?
2. What is the difference between these two stories?
3. What does Daw gain from keeping records?
4. How can Mali plan better?
  - a. What kinds of records can Mali 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, Daw 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>
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Solada and Kanya are both soybean farmers. Each has extra soybeans to farm and wants help from a neighbor who is also a soybean farmer. Each asks the neighbor for a full day of help.
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<b>Story A</b>	<b>Story B</b>
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Solada offers the neighbor some of the soybeans that the neighbor harvests that day. Solada's neighbor 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 soybeans she harvests there.	Kanya offers the neighbor milk from Kanya's cows. Kanya's neighbor does not have cows. Kanya's neighbor agrees to help for the full day because she does not have a cow and wants milk to feed her family.
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**Questions**

1. What happened?
  - a. What does Solada do?
  - b. What does Kanya do?
2. What is the difference between these two stories?
3. What does Kanya gain from offering milk?
4. What should Solada offer to encourage her neighbor 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>
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Incentives encourage people to work harder. Someone who values an incentive more will work harder. Kanya's neighbor 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. Solada's neighbor helps for only half a day, but she does not want more soybeans 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.
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**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.

<b>Background</b>	
Kit and Tom each grows the same amount of bamboo. Ten-meter rods of bamboo sell in a nearby market for 50 baht. One 10-meter rod of bamboo can make 20 baskets, which sell for 50 baht each.	

<b>Story A</b>	<b>Story B</b>
Kit harvests one 10-meter rod of bamboo and sells it. Kit earns 50 baht.	Tom harvests one 10-meter bamboo rod and makes baskets. He makes 20 baskets from a 10-meter rod. He earns 1,000 baht by selling all the baskets.

**Questions**

1. What happened?
  - a. What does Kit do?
  - b. What does Tom 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.

<b>Lesson</b>
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 bamboo, production creates useful, specialized goods that are more valuable to a buyer than the plain, raw goods are on their own. Making the baskets takes longer than just selling the bamboo, but Tom earns 1,000 baht from selling the bamboo he made into baskets. Kit earns only 50 baht and must sell many more bamboo rods to earn enough money to feed his family. Tom can feed his family very well with the 1,000 baht he earns from selling the baskets.

**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
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<p>A pig takes one year to become a grown pig and have baby pigs. Usually, a pig has four baby pigs. In these stories, Som and Suchin borrow one baby pig each. At the end of the year, each must repay what she borrowed.</p>
--

Story A	Story B
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<p>Som borrows a baby pig from Kanya. Som can use the pig, but she has to pay back the pig in one year. Som feeds and breeds the pig. The pig has four baby pigs. Som does not feed her pigs enough, and all the pigs die. Som is in debt to Kanya. At the end of the year, Som wants to pay off her debt, but she cannot because all her pigs died. Som cannot keep any profits until she repays Kanya.</p>	<p>Suchin borrows a baby pig from Kanya. Suchin can use the pig, but she has to pay back the pig in one year. Suchin feeds and breeds the pig. The pig has four baby pigs. Suchin is in debt to Kanya. At the end of the year, Suchin wants to pay off her debt. She returns the pig she borrowed but keeps the baby pigs.</p>
--	--

**Questions:**

1. What happened?
  - a. What does Som do?
  - b. What does Suchin do?
2. What do these people do differently?
3. What have you borrowed? What have you paid back?
4. What have you loaned? What have you asked for in return?

**[Optional activity]****Questions**

5. What can you borrow now to earn more in the future? What will you have to pay back?
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.
8. (Harder) What if instead of not feeding the pigs right, Som let other people borrow from Suchin, and *they* have the accident? What is the lesson for Som? What is the lesson for Suchin?)

Lesson
--------

<p>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 pig that has four baby pigs, she still has to repay one pig. She can gain from debt by keeping the other four pigs.</p>
---

**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 baby goat takes one year to mature and have baby goats. Usually, a grown goat has two baby goats. Kalaya and Pang have one baby goat each. Each lends her neighbor a baby goat.

Story A	Story B
One year later, Kalaya's neighbor returns a baby goat. Kalaya now has exactly what she lent her neighbor. Kalaya must wait another year before the goat is old enough to reproduce and fat enough to eat.	One year later, Pang's neighbor gives Pang one adult goat and two baby goats. The neighbor keeps the milk the goat produced. Pang now has what she would have had if she did not lend her neighbor the baby goat.

**Questions**

1. What happened?
  - a. What does Kalaya do?
  - b. What does Pang 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 baby 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 VDP/PPP 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 one year, a baby goat grows into an adult goat with two baby goats. If someone borrows a baby goat for one year, she should give back more than just the baby goat she borrowed. Instead, the borrower owes what a baby goat becomes in one year, which is what the lender would have had if she did not lend the goat. Because Kalaya's neighbor repaid her with a baby goat, not a grown goat and two baby goats, Kalaya has less than she would have had if she did not lend the baby goat to her neighbor.

## 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

Tasanee and Ratana have soybeans to sell in a market. There are two nearby markets, and one already has vendors who sell soybeans.

### Story A

Tasanee sells in the market where other vendors sell soybeans. Because Tasanee's price is higher than other vendors' prices, Tasanee has to lower her price to sell any soybeans. Tasanee sells fewer soybeans and only at a lower price.

### Story B

Ratana sells in the market where no one else is selling soybeans. Customers pay Ratana's price because Ratana is the only one selling soybeans. Ratana sells all of her soybeans at her original price.

### Questions

1. What happened?
  - a. What does Tasanee do?
  - b. What does Ratana do?
2. What is the difference between these two stories?
3. Who has more competition, Tasanee or Ratana? Why?
4. Who sells more soybeans? 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 Tasanee to lower her prices because she otherwise would not sell any soybeans. Ratana sells more soybeans at a higher price because she sells in a market where there is no competition. Ratana 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.

Background
Pui and Tao sell rain shelters for the same price. Each hopes food-stand owners will buy her rain shelters. The rain shelters are expensive. Without an explanation, food-stand owners do not understand why they should buy rain shelters.

Story A	Story B
Pui tries to sell rain shelters but does not explain to food-stand owners why they should spend their profit on rain shelters. As a result, Pui does not sell any rain shelters and makes no money.	Tao explains to food-stand owners what her rain shelters are and how they can keep the food-stand owners and their customers dry. Tao brings pictures of her rain shelters to the food-stand owners and invites them to visit rain shelters that other food stands use. As a result, she sells many rain shelters and can better support her family.

**Questions**

1. What happened?
  - a. What does Pui do?
  - b. What does Tao do?
2. What do these people do differently?
  - a. Why do customers buy different amounts from Pui and Tao?
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.

Lesson
Marketing shows customers how a product meets their wants and needs. Pui and Tao have the same product, but because Tao 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>
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Pang and Mali each has a lunch cart. Each sells lunch for 20 baht.
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Story A	Story B
Pang wants to get as many customers as she can, so she sells rice, noodles, beef, chicken, vegetables, fish and eggs. Other street carts nearby sell the same meals. Pang sells lots of kinds of meals. Each day, she sells lunch to 100 people and earns 2,000 baht.	Mali sells just one meal, of rice and beef. Other street carts have more choices, but her meal is the best rice-and-beef meal on the street. Because she has more experience with the one meal, she makes food faster and better. Customers know that she specializes in the good rice-and-beef meal. She sells the rice-and-beef lunch to 200 people each day. She makes 4,000 baht a day and uses the money to buy medicines for her children.

**Questions**

1. What happened?
  - a. What does Pang do?
  - b. What does Mali 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>
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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.
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**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**

Tom and Suyan both want to sell fruit in the nearby business district and need to decide what kind to sell. There are other fruit vendors on the streets. Most fruit vendors sell pineapple and watermelon. Only a few vendors sell polamai.

**Story A**

Tom decides to sell pineapple. Because many others sell pineapple, Tom does not have many customers. Tom does not sell much fruit. Also, some people want Tom to lower his price or they will buy from other vendors. Tom has leftover fruit at the end of many days and does not make much profit.

**Story B**

Suyan decides to sell polamai. There are not many people selling polamai because it is hard to find, but Suyan knows that people like polamai. Suyan can set the price for polamai above his costs and people will pay the full price because they cannot buy polamai elsewhere. Suyan 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 Tom decide to sell?
  - b. What does Suyan decide to sell?
2. Why does Tom decide to sell pineapple?
  - a. Why does selling pineapple not work very well?
3. Why does Suyan decided to sell polamai?
  - a. Why does selling polamai 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.

<b>Background</b>	
Prahat and Sombat each has a business selling small bamboo baskets. Each paid 20 baht for one basket and charges 30 baht. There are few customers today, and Prahat and Sombat have no savings to buy food. Each worries that he will not have enough money for food if he does not sell baskets today.	

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

**Questions**

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

<b>Lesson</b>
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 Sombat sells for less than 20 baht, he will lose more money than if he sells nothing. Sombat knows his costs and refuses to sell unless he makes a profit. Prahat 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>
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<p>Pui and Kalaya each has a rice farm. During the rainy season, the crop is strong, and each harvests and sells as much rice as he can on his own but does not have time to harvest or sell the entire crop. Pui and Kalaya's pigs each had one extra baby this year. Tom and Aran own pigs that did not have baby pigs this year. One baby pig costs the same amount as paying someone to harvest rice for one month.</p>
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<b>Story A</b>	<b>Story B</b>
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<p>Pui pays Tom to harvest and sell rice with him for one month. At the end of the month, Pui has harvested and sold all his rice and Tom has earned enough money to buy a baby pig. Pui does not have enough money to buy food in the dry season and is left with one extra baby pig.</p>	<p>Instead of paying Aran to harvest and sell rice with her for one month, Kalaya gives Aran one baby pig. At the end of the month, Kalaya has harvested and sold all her rice and Aran has one baby pig.</p>
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**Questions**

1. What happened?
  - a. How does Pui pay for Tom's time?
  - b. How does Kalaya pay for Aran's time?
2. What is the difference between these two stories?
3. Who gains more? Why?
  - a. Pui or Kalaya?
  - b. Tom or Aran?
4. How could Pui gain more?
5. (Harder) If Pui and Kalaya had no money to pay someone to harvest and sell rice, 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.

<b>Lesson</b>
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<p>When two people trade, they both are more successful because each gives up something he has</p>
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leftover or does better for something he needs or does not do as well. Kalaya and Pui each hire someone to help harvest her extra rice crop so it does not go to waste, but Kalaya knows that her extra baby pig would be more valuable to Aran than baht would be. Kalaya and Aran gain more than Pui and Tom because each trades what he or she has for what the other needs. Because Kalaya trades her extra baby pig for Aran's time, Kalaya has enough money to buy food in the dry season and no extra pigs, and Aran has the baby pig. 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  
Freedom From Hunger  
Fundación Paraguaya  
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Junior Achievement  
Kiva  
Livelihoods Network  
National Council on Economic Education (NCEE)  
National Foundation for Teaching Entrepreneurship (NFTE)  
Population and Community Development Association (PDA)  
Project Baobab  
Schwab Foundation for Social Entrepreneurship  
Stanford Graduate School of Business  
Stanford University, Department of Economics

Stanford University School of Education  
State social studies standards: California, New York  
Take Charge America  
Teach a Man to Fish  
TrickleUp  
United Nations Educational, Scientific, and Cultural Organization (UNESCO)  
Verizon Thinkfinity  
Village Enterprise Fund  
World Bank

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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 6 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 6 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 6, 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-6.

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

**SAMPLE LESSON PLAN: INTRODUCTION AND INVESTING**

## 00:00 Introduction and ice breaker

- Ice breaker: questions for group
  1. How many of you have a business? (show of hands)
  2. How many of you have a rice-growing business? (show of hands)
  3. How many of you have another kind of business? (show of hands)
  4. What other kinds of businesses do you have? (ask for answers from volunteers)
  5. How many of you are in debt? (show of hands)
  6. What are you here to learn? (ask for answers from volunteers)
  
- Introduction and welcome
  
- Agenda
  1. Investing lesson: two stories
  2. Investing game
  3. Dinner

## Materials needed

- None

## 00:20 Lesson: Investing

Use Investing lesson from Barefoot MBA curriculum

- Introduction
  1. Read first paragraph of Investing curriculum topic.
  
- Stories
  1. Read Story A.
  2. Read Story B.
  
- Discussion
  1. Discuss first group of Investing questions (1–5).

## Materials needed

- Barefoot MBA curriculum: Investing lesson

## 00:45 Activity

This is an activity that illustrates the value of investing by creating a marketplace in which players buy and sell items that gain value over time. Four villagers play the roles of four rice farmers who invest their profits in four different ways (e.g., in morning glory, in fish, in pigs and not at all). The game is played in four rounds that represent four months. During each round, each villager decides whether to buy or sell goods. The results are collected in a table that shows who earned the most from her investments.

- Setup: ask for volunteers / assign roles to half the group. Give each a name card.
  1. PLAYER 1: Invests in nothing
  2. PLAYER 2: Invests in morning glory seeds
  3. PLAYER 3: Invests in fish
  4. PLAYER 4: Invests in a baby pig
  5. SUPPLIER
  6. BUYER
  7. PASSAGE OF TIME
  
- Activity
  1. Each investor starts with 1000 baht.
  2. SUPPLIER asks PLAYER 1 what she wishes to buy. PLAYER 1 buys nothing and keeps her 1000 baht.
  3. SUPPLIER asks PLAYER 2 what she wishes to buy. PLAYER 2 buys 200 kg of morning glory seeds for 1000 baht (gives 1000 baht to SUPPLIER in exchange for cardboard cutout of seeds).
  4. SUPPLIER asks PLAYER 3 what she wishes to buy. PLAYER 3 buys 2000 small fish for 1000 baht (gives 1000 baht to SUPPLIER in exchange for cardboard cutout of small fish).
  5. SUPPLIER asks PLAYER 4 what she wishes to buy. PLAYER 4 buys a baby pig for 1000 baht (gives 1000 baht to SUPPLIER in exchange for cardboard cutout of small fish).
  6. PASSAGE OF TIME walks by waving her sign to denote the passage of one period (e.g., a month). Replace cardboard cutouts to denote growth of investments: seeds become morning glory, small fish become medium fish, baby pig becomes medium-sized pig.
  7. BUYER asks PLAYER 1 what she wishes to sell. PLAYER 1 has nothing to sell and so sells nothing.
  8. BUYER asks PLAYER 2 what she wishes to sell. PLAYER 2 sells her morning glory for 4000 baht (gives BUYER morning glory cutout in exchange for 4000 baht).
  9. BUYER asks PLAYER 3 what she wishes to sell. PLAYER 3 can sell her fish for 3000 baht or wait another month before selling for 9000 baht.
  10. BUYER asks PLAYER 4 what she wishes to sell. PLAYER 4's pig is not big enough to use, so she sells nothing.
  11. Ask each player what she has at the end of the round. Fill in chart with values.
  12. End of Round 1.
  13. Repeat Steps 2–12 for Rounds 2–4, with the following changes:
    - Players buy nothing if they have no money.
    - Use Round-specific cutouts where appropriate.
    - PLAYER 4 sells her full-grown pig for 3500 baht.
  14. Review sales results.

#### Materials needed

- Name cards for each player (use cardboard signs hanging as necklaces).
  1. Invests in nothing
  2. Invests in morning glory seeds
  3. Invests in fish
  4. Invests in a baby pig
  5. Supplier
  6. Buyer
  7. Passage of Time
- Play money

1. 35 1000-baht bills
  2. 1 500-baht bill
- Cardboard cutouts
    1. Morning glory seeds
    2. Morning glory flowers
    3. Small fish
    4. Medium fish
    5. Large fish
    6. Baby pig
    7. Medium pig
    8. Fully grown pig
  - Flip chart (chart to record results after each round; see page A-10)
  - List of market items and prices

01:15 Repeat game with new market items and new participants

- Replace market items with bean sprouts, tadpoles and a chicken, using attached chart for timing and prices.

#### Materials needed

- Name cards for each player (use cardboard signs hanging as necklaces).
  1. PLAYER 1: Invests in nothing
  2. PLAYER 2: Invests in bean sprout seeds
  3. PLAYER 3: Invests in tadpoles
  4. PLAYER 4: Invests in a chick
  5. SUPPLIER
  6. BUYER
  7. PASSAGE OF TIME
- Play money
  1. 35 1000-baht bills
  2. 1 500-baht bill
- Cardboard cutouts
  1. Bean sprout seeds
  2. Bean sprouts
  3. Tadpoles
  4. Medium frog
  5. Big frog
  6. Chick
  7. Chicken
- Flip chart (chart to record results after each round; see page A-10)
- List of market items and prices

01:40 Lesson

- Review sales results.
- Discuss remainder of Investing questions (6–10) from Barefoot MBA curriculum.
- Other questions to consider, if time allows:

1. Length of investment:
  - What are the benefits of a short-term investment (e.g., fish) over a long-term investment (e.g., pigs)?
  - What are the benefits of a long-term investment over a short-term investment?
2. Reinvestment:
  - What are the benefits of reinvestment (e.g., planting additional morning glory seeds and waiting for flowers to grow) over long-term investment (e.g., waiting for a pig to grow)?
  - What are the benefits of long-term investment over reinvestment?
3. Seasonality:
  - How will the natural cycles of an investment (e.g., morning glory does not grow in winter, rice is harvested only once a year) affect investment decisions?
4. Risk: What other risks are involved in investing? How to invest accordingly?
  - Market could shift, changing prices (e.g., freeze destroys crops, cow disease scares people away from eating meat)
  - Goods could disappear (e.g., pig could die before growing to full size)

- Ask a student to summarize lesson. Fill in missing details with “Lesson” box from curriculum.
- Encourage and answer student questions.

02:05 Villager feedback

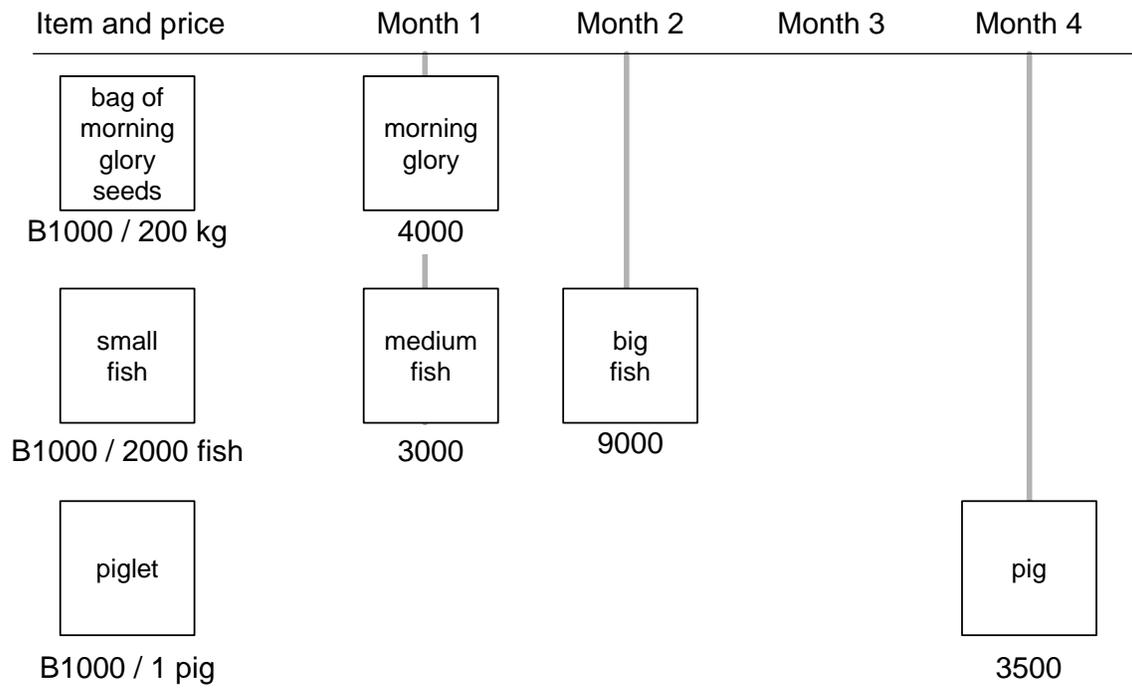
- Elicit responses (verbal and written) to questionnaire.

02:10 End lesson

- Thank you and goodbye
- Optional group meal

03:15 Staff feedback

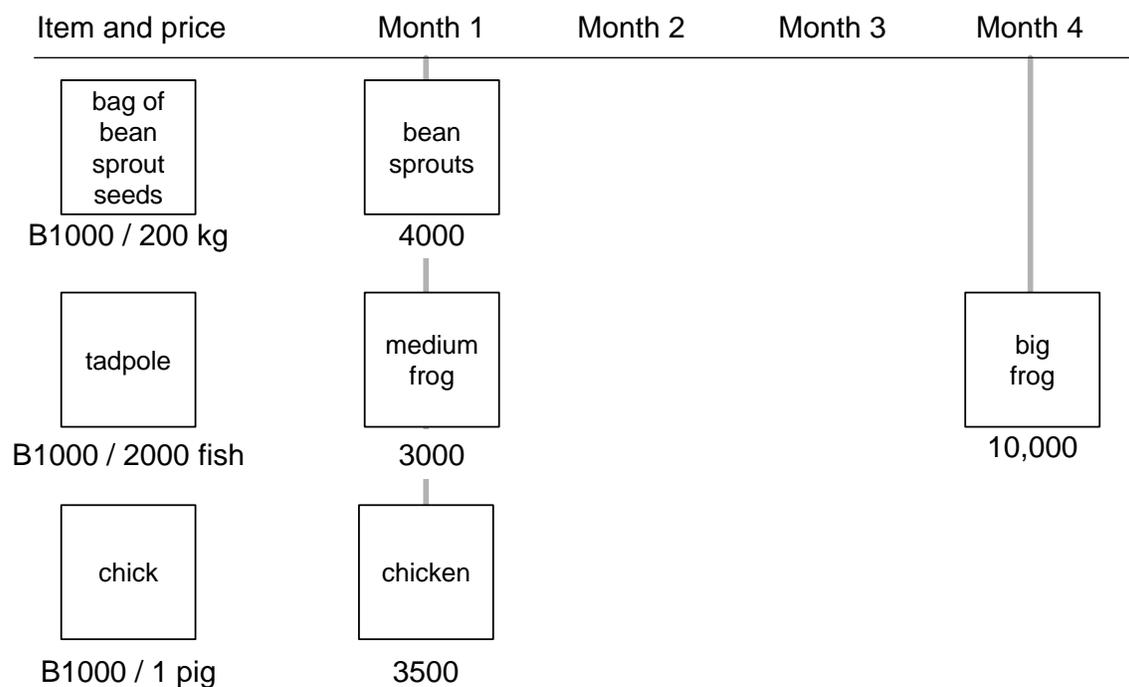
**Market Items and Prices: Investing Activity 1**



**Results: Investing Activity 1**

Investment	Profit				
	Start	Month 1	Month 2	Month 3	Month 4
Nothing					
Morning glory					
Fish					
Baby pig					

**Market Items and Prices: Investing Activity 2**



**Results: Investing Activity 2**

Investment	Profit				
	Start	Month 1	Month 2	Month 3	Month 4
Nothing					
Bean sprouts					
Tadpoles					
Chick					

**Additional Points to Consider: Investing**

## Length of investment:

- What are the benefits of a short-term investment (e.g., fish) over a long-term investment (e.g., pigs)?
- What are the benefits of a long-term investment over a short-term investment?

## Reinvestment:

- What are the benefits of reinvestment (e.g., planting additional morning glory seeds and waiting for flowers to grow) over long-term investment (e.g., waiting for a pig to grow)?
- What are the benefits of long-term investment over reinvestment?

## Seasonality:

- How will the natural cycles of an investment (e.g., morning glory does not grow in winter, rice is harvested only once a year) affect investment decisions?

## Risk:

- What other risks are involved in investing? How to invest accordingly?
  - Market could shift, changing prices (e.g., freeze destroys crops, cow disease scares people away from eating meat)
  - Goods could disappear (e.g., pig could die before growing to full size)

**SAMPLE LESSON PLAN: PRODUCTION AND MARKETING**

00:00 Welcome and review

- Welcome
  1. Check in
- Review previous day's lesson
- Agenda
  1. Production lesson: two stories
  2. Marketing lesson: two stories
  3. Production and Marketing game

Materials needed

- None

00:10 Lesson 1: Production

Use Production lesson from Barefoot MBA curriculum

- Introduction
  1. Read first paragraph of Production curriculum topic.
- Stories
  1. Read Story A.
  2. Read Story B.
- Discussion
  1. Discuss first group of Production questions (1–4).

Materials needed

- Barefoot MBA curriculum: Production lesson
- Barefoot MBA curriculum: Marketing lesson

00:33 Lesson 2: Marketing

Use Marketing lesson from Barefoot MBA curriculum

- Introduction
  1. Read first paragraph of Marketing curriculum topic.
- Stories
  1. Read Story A.
  2. Read Story B.
- Discussion
  1. Discuss first group of Marketing questions (1–5).

00:58 Activity

This is an activity that illustrates the value of production and marketing by creating a marketplace in which players produce and market bamboo baskets. Five villagers play the roles of five customers with five different, predetermined demands that vary in quality, quantity and price. The other villagers are split into two production teams that assess, produce and sell to customers' needs. The production teams have limited time to work simultaneously, after which they market and sell their goods to the customers while the whole group watches. The results are collected in a table that shows how much each team sold, which prompts a discussion of how each team produced and marketed.

- Setup: ask for volunteers and assign roles to 5 villagers. Give each a name card and an envelope with specifications and play money that meets the budget. In each round, assign a villager the role of Player 1, raw bamboo buyer, and choose 4 additional characters from the other 8 listed here:
  1. RAW BAMBOO BUYER. Wants bamboo rods at B50 each. Has a budget of B500 (high demand) or B200 (low demand).
  2. MRS. PINK. Individual buyer wants 2 high-quality, pink baskets with handles for B200 each. Has a budget of B500.
  3. MR. LEE. Wholesale buyer wants 20 small, rough, simple baskets at B20 each that he can resell in Chinatown. Has a budget of B500.
  4. MISS NANCY. Student wants trendy baskets that look nice but has a budget of only B150.
  5. MR. SUYAN. Street vendor wants 2 strong, high-quality B250 baskets to carry goods. Has a budget of B500.
  6. MR. GIM. Wholesaler wants at least 20 identical baskets but will buy as many as possible with his budget, B500.
  7. MR. SCOTT. Tourist wants 10 new, different baskets for B40 each that he can sell abroad. Likes animals. Has a budget of B500.
  8. MR. TOM. Retail buyer wants 10 different kinds of baskets, ranging in price from B20 to B100, that he can resell at his shop. Has a budget of B500.
  9. MS. KAI. Wants a basket that can carry and protect eggs. Has a budget of B500.

Split the other villagers into two equal production teams, Team A and Team B.

- Begin activity
  1. Production teams get equal amounts of raw bamboo (copy paper cut into strips) and supplies. They have 15 minutes to assess and meet customers' demands.
  2. After 15 minutes, all producers stop making baskets. The group assembles to watch basket sales.
  3. Choose which team will sell first. In this example, Team A goes first.
  4. Team A chooses one customer and markets baskets to that customer.
  5. If Team B wishes to market to the same customer, it may do so after Team A makes its pitch.
  6. That customer decides which basket(s), if any, he or she will buy. (Note: a customer cannot reject all baskets that meet his specifications. He is obligated to buy what he asks for if it is within his budget. A customer may buy from one, both or no customers, depending on how the product(s) meet his stated needs.)
  7. Record basket sales on the table of results (see page A-17). Ask the customer why he made the decisions he made. Ask the producer why he made the production and marketing decisions he made.

8. Repeat Steps 4–7, alternating which team goes first, until all customers have had a chance to buy baskets.

- Review results

#### Materials needed

- Name cards for each customer (use cardboard signs hanging as necklaces).
  1. Raw bamboo buyer
  2. Mrs. Pink
  3. Mr. Lee
  4. Miss Nancy
  5. Mr. Suyan
  6. Mr. Gim
  7. Mr. Scott
  8. Mr. Tom
  9. Ms. Kai
- Play money in envelopes for each player
  1. Raw bamboo buyer     $10 \times B50 = B500$       or  $4 \times B50 = B200$
  2. Mrs. Pink             $2 \times B100 + 6 \times B50 = B500$
  3. Mr. Lee               $25 \times B20 = B500$
  4. Miss Nancy          $15 \times B10 = B150$
  5. Mr. Suyan           $2 \times B100 + 6 \times 50 = B500$
  6. Mr. Gim              $20 \times B20 + 10 \times B10 = B500$
  7. Mr. Scott           $20 \times B20 + 10 \times B10 = B500$
  8. Mr. Tom             $1 \times B100 + 3 \times B50 + 10 \times B20 + 10 \times B5 = B500$
  9. Ms. Kai              $5 \times B100 = B500$
- Basket supplies for each of two production teams
  1. 20 strips of paper
  2. Scissors for 2 teams (about 10 total)
  3. Colored markers or crayons
  4. Tape or glue
- Flip chart (chart to record results after each round; see page A-17)

#### 01:45 Lesson

- Review results.
- Discuss remainder of Production questions (6–8) from Barefoot MBA curriculum.
- Discuss remainder of Marketing questions (5–7) from Barefoot MBA curriculum.
- Ask a student to summarize lesson. Fill in missing details with “Lesson” box from curriculum.
- Encourage and answer student questions.

#### 02:10 Villager feedback

- Elicit responses (verbal and written) to questionnaire.

02:15 End lesson

- Thank you and goodbye
- Optional group meal

03:15 Staff feedback

**Results: Production and Marketing Activity**

Customer name	Team A	Team B
<b>TOTAL</b>		