

# Biblical financial principles

## A survey of Scripture

### I. Introduction

### II. A survey of Biblical teaching on money and wealth

### III. 10 Biblical principles about money and wealth

1. God owns everything and we are His stewards
2. Worship and trust God rather than money
3. Beware of the love of money
4. God cares how we manage our money
5. Honor God by faithfully giving of our income
6. Develop a lifestyle which creates margin and save
7. Cultivate a generous heart and live sacrificially
8. Care for the poor, the weak, the oppressed, and the needy
9. Use wealth to glorify God and build treasure in heaven
10. Pursue the true riches rather than material wealth

### IV. Money and your family

### V. Money and the Church

### VI. Money and business

### VII. Money and Society

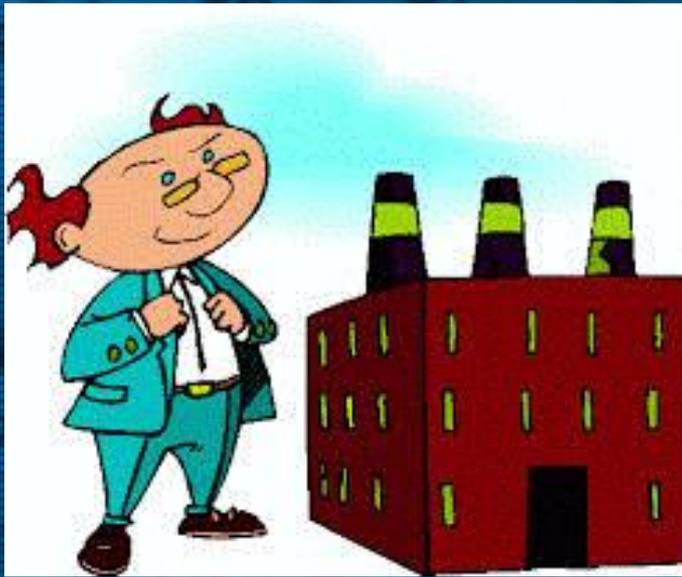
# VI. Money and business

## From a biblical perspective



# Outline

- **A. Biblical philosophy of business**
- **B. Scriptural insight for employers**
- **C. Scriptural insight for employees**



# A. Biblical philosophy of business

- **Do all to the glory of God**
- **Search the scriptures for wisdom**
- **Make your business a matter of prayer; enlist the prayer support of others**
- **Seek counsel from godly businessmen**
- **Depend entirely upon the Lord for success**
  - ◆ Now listen, you who say, "Today or tomorrow we will go to this or that city, spend a year there, carry on business and make money." Why, you do not even know what will happen tomorrow. What is your life? You are a mist that appears for a little while and then vanishes. Instead, you ought to say, "If it is the Lord's will, we will live and do this or that." As it is, you boast and brag. All such boasting is evil. Anyone, then, who knows the good he ought to do and doesn't do it, sins. James 4:13 – 16

# A biblical philosophy of business (cont'd)

- **Develop a business plan, asking God for wisdom**
  - ◆ By wisdom a house is built, and by understanding it is established Proverbs 24:3 (ESV)
- **Create a product or service that has some distinctive competence or advantage in meeting the needs of others, giving it a competitive advantage**
- **Run the business with the utmost honesty and integrity**
- **Treat customers fairly, courteously, and professionally**
- **Regard your employees highly and empower them**
- **Pay your taxes >**

# A biblical philosophy of business (cont'd)

- **Diligently keep abreast of the facts:**
  - ◆ Be sure you know the condition of your flocks, give careful attention to your herds; for riches do not endure forever, and a crown is not secure for all generations. When the hay is removed and new growth appears and the grass from the hills is gathered in, the lambs will provide you with clothing, and the goats with the price of a field. You will have plenty of goats' milk to feed you and your family and to nourish your servant girls. Proverbs 27:23 - 27
  - ◆ Know your market
  - ◆ Know your competition
  - ◆ Make sure your financial situation is adequate and in order
  - ◆ Understand relevant social, economic, government and other factors
- **Act in the best interests of your customers, suppliers and employees >**

# Let's briefly talk about a critical element of business success

## Profit



# Profit as a common-sense principle

## A simplistic example

- **Suppose a business starts with \$100 in capital. Further suppose that it spends \$100 to manufacture a product, pay its workers and salesmen, and keep its light on.**
  - ◆ If it sells the product for \$50, it either needs a new infusion of capital to build another unit, or it will go out of business
  - ◆ If it sells the product for \$100, the business can stay open long enough to build another unit, but won't grow and is vulnerable to competitors
  - ◆ If it sells the product for \$200, it can build another unit and one additional one, resulting in company growth

**It should be clear that a profit is necessary for survival and growth >**

# The biblical basis for profit

Not explicitly advocated, but implicitly endorsed

- Calling ten of his servants, he gave them ten minas, and said to them, ‘Engage in business until I come... “Lord, your mina has made ten minas more,” the nobleman responds, “Well done, good servant! Because you have been faithful in a very little, you shall have authority over ten cities”’ Luke 19:13, 17 (ESV)
- You shall remember the LORD your God, for it is he who gives you power to get wealth, that he may confirm his covenant that he swore to your fathers, as it is this day. Deuteronomy 8:18 (ESV)
- You shall not lend him your money at interest, nor give him your food for profit. Leviticus 25:37 (ESV)
- Come now, you who say, “Today or tomorrow we will go into such and such a town and spend a year there and trade and make a profit” James 4:13 (ESV)

# Our premise: The primary financial goal of a business is to make a profit

## Some characteristics of profits

- Measure of the health of the company
- Indication that their customers are receiving good value
- Reward for the risks taken by the entrepreneur/investors
- Necessary for growth and diversification
- The taxes paid from profits pay for the government to provide services to the public
- Reinvested profits expand the economy
- Rising profits encourage competition, which in turn benefits customers by driving prices down
- Meager or non-existence profits can lead to business failure >

# How profits are regulated

## Free enterprise vs government regulated

- **In a free economy: the law of supply and demand**
  - ◆ Product inventions that make a major contribution can bring high profits
  - ◆ High profits result from customers paying high prices, resulting in temporary market equilibrium but encouraging competition
  - ◆ When there is robust competition, products are improved and prices (and profits) fall.
  - ◆ Eventually, equilibrium is reestablished between supply and demand
  - ◆ If there is a price war, and prices (profits) fall too low, some companies will fail. Those left will raise prices in order to survive, but the balance between customer and business objectives will eventually be reestablished.
- **In a government regulated economy: bureaucratic control**
  - ◆ Monopolies can be prevented through fiat (keeping prices affordable)
  - ◆ Businesses can be subsidized if profits are low
  - ◆ Business investments can be encouraged or discouraged through laws and government regulations

# Financial principles for businesses

- **Capitalize adequately; it is crucial to success**
- **Plan and manage cash flow**
- **Maintain adequate liquidity in order to have sufficient operating capital**
- **Know the applicable tax code and endeavor to pay the minimum taxes due**
- **Staff the financial team with honest and capable people who are held to a high level of accountability**
- **Conduct periodic audits by an independent CPA**
- **There are many other business principles beyond the scope of this course >**

# Quiz

## Multiple choice or True/False

- Create one or more quizzes that deal with this module
- Usually 4 or 5 choices or statements work best for each quiz
- After allowing a minute or two for the students to complete the quiz, go over the answers. For false statements, ask the class what change could be made to make the statement true

# The Bible addresses business owners and employees



## B. Roles and responsibilities of owners (managers)



# Biblical teaching for business owners

Owning a business is stressful, but can have great rewards

- **Prayerfully decide whether we can withstand the pressures of business:**

- ◆ If you fail under pressure, your strength is too small. Proverbs 24:10 (NLT2)

- **Commit our business to the Lord**

- ◆ Trust in the LORD with all your heart; do not depend on your own understanding. Seek his will in all you do, and he will show you which path to take. Proverbs 3:5-6 (NLT2)

- **Be fair and just in our business dealings:**

- ◆ Life will go well for those who freely lend and are honest in business. Psalm 112:5 (CEV)

# Biblical teaching for business owners

(cont'd)

- **Work hard if we want to be successful:**
  - ◆ Lazy hands make a man poor, but diligent hands bring wealth  
Proverbs 10:4
  - ◆ Lazy people want much but get little, but those who work hard will prosper. Proverbs 13:4 (NLT2)
- **Consider allocating a portion of the profits to build the kingdom of God and help the needy:**
  - ◆ Give, and it will be given to you. A good measure, pressed down, shaken together and running over, will be poured into your lap. For with the measure you use, it will be measured to you."  
Luke 6:38
  - ◆ He who has been stealing must steal no longer, but must work, doing something useful with his own hands, that he may have something to share with those in need. Ephesians 4:28

# Biblical teaching for business owners

(cont'd)

- **Pay employees on time:**

- ◆ "Do not defraud your neighbor or rob him. "Do not hold back the wages of a hired man overnight. Leviticus 19:13

- ◆ Do not take advantage of a hired man who is poor and needy, whether he is a brother Israelite or an alien living in one of your towns. Pay him his wages each day before sunset, because he is poor and is counting on it. Otherwise he may cry to the LORD against you, and you will be guilty of sin. Deuteronomy 24:14-15

- ◆ Look! The wages you failed to pay the workmen who mowed your fields are crying out against you. The cries of the harvesters have reached the ears of the Lord Almighty. James 5:4

# Biblical teaching for business owners

(cont'd)

- **Treat employees fairly:**
  - ◆ Masters, provide your slaves with what is right and fair, because you know that you also have a Master in heaven. Colossians 4:1
- **Treat them respectfully:**
  - ◆ And masters, treat your slaves in the same way. Do not threaten them, since you know that he who is both their Master and yours is in heaven, and there is no favoritism with him. Ephesians 6:9



# Biblical teaching for business owners

(cont'd)

- Be generous to the company's employees
- Train, empower and provide resources for them to do their job properly, efficiently and safely
- Reward hard work, skill, conscientiousness, and loyalty
- Share company profits: reward employees according to their contribution to the success of the company >



# Some practices of successful business owners

- They arrive early, work hard (smart), stay late
- Are agile when threatened by competition or economic/political conditions, but don't panic
- Strive for excellence in all parts of the company
- Look for new opportunities to create a product or service that uniquely fills a need
- Know their market and competition
- Hire and motivate good people; the company's success depends on it >

# Some practices of successful business owners (cont'd)

- Form a leadership team with specific skills and wisdom
- Are knowledgeable about the political situation, tax codes, regulatory requirements, technology issues, social trends, etc
- Reinvest a portion their earnings. The larger the portion, the faster the growth

# C. Biblical principles for employees



# Labor has many purposes

- **Follow our Father's example**

- ◆ By the seventh day God had finished the work he had been doing; so on the seventh day he rested from all his work. Genesis 2:2
- ◆ Jesus said to them, "My Father is always at his work to this very day, and I, too, am working." John 5:17

- **Express the abilities God has given us**

- ◆ Then God said, "Let us make man in our image, after our likeness. And let them have dominion over the fish of the sea and over the birds of the heavens and over the livestock and over all the earth and over every creeping thing that creeps on the earth." Genesis 1:26

- **Support ourselves and our family**

- ◆ If anyone does not provide for his relatives, and especially for his immediate family, he has denied the faith and is worse than an unbeliever. 1 Timothy 5:8

# Labor has many purposes cont'd

- **Help others in need**

- ◆ And I have been a constant example of how you can help those in need by working hard. You should remember the words of the Lord Jesus: 'It is more blessed to give than to receive.'" Acts 20:35 (NLT)

- **Improve life on earth**

- ◆ "You are the light of the world. A city set on a hill cannot be hidden. Nor do people light a lamp and put it under a basket, but on a stand, and it gives light to all in the house. In the same way, let your light shine before others, so that they may see your good works and give glory to your Father who is in heaven. Matthew 5:14-16

- **Invest in the Kingdom**

- ◆ And if anyone gives even a cup of cold water to one of these little ones because he is my disciple, I tell you the truth, he will certainly not lose his reward." Matthew 10:42

# Eight characteristics of highly valuable employees

Keys to job security, promotion and higher income



**OUTSTANDING**



# These traits fall into two main categories

- **Highly valuable employees prove their worth**
  1. They have a plan for their own future
  2. They are honest, responsible, dependable and trustworthy
  3. They practice good work habits
  4. They are loyal
  5. They understand their company's goals and work to achieve them
- **Highly valuable employees expand their value**
  6. They contribute to the development of others
  7. They establish a good relationship with their boss and help him succeed
  8. They try to work themselves out of a job!!

# 1. They have a plan for their own future

- **Seek God's wisdom** (Prov 3:5-6)
- **Assess abilities, weaknesses, passions, dreams, circumstances**
- **Establish career goals**
- **Get a good education**
- **Recruit a mentor**
- **Establish a support team**
- **Always learn something new**
- **Move out of comfort zone**
- **Seek new responsibilities and opportunities >**



## 2. They are honest, responsible, dependable and trustworthy

- **Don't steal company property** Ephesians 4:28
- **Don't falsify hours**
- **Honor the company's policy regarding personal time and using supplies for personal purposes**
- **Are honest with sick days**
- **Don't waste company resources or your (others') time >**



# 3. They practice good work habits

- **Trust God for their success**

- ◆ Commit to the LORD whatever you do, and your plans will succeed. Proverbs 16:3

- **Work hard (smart), to honor their Lord**

- ◆ Whatever your hand finds to do, do it with your might Ecclesiastes 9:10a (ESV)

- ◆ Never be lazy, but work hard and serve the Lord enthusiastically. Romans 12:11 (NLT)

- ◆ So we built the wall. And all the wall was joined together to half its height, for the people had a mind to work. Nehemiah 4:6 (ESV)

# Habits of highly valuable employees

(cont'd)

- **Work with enthusiasm and a positive attitude**
  - ◆ Whatever you do, work at it with all your heart, as working for the Lord, not for men, Colossians 3:23
  - ◆ Work with enthusiasm, as though you were working for the Lord rather than for people. Ephesians 6:7 (NLT)
- **Learn to excel at their job**
  - ◆ He has filled them with skill to do all manner of work of the engraver and the designer and the tapestry maker, in blue, purple, and scarlet *thread*, and fine linen, and of the weaver--those who do every work and those who design artistic works. Exodus 35:35 (NKJV)

# Habits of highly valuable employees

(cont'd)

- **Arrive early and stay late**
- **Work not only hard, but smart**
  - ◆ If any of you lacks wisdom, he should ask God, who gives generously to all without finding fault, and it will be given to him. James 1:5, Eccl 10:10
- **Stay fit, healthy and practice good hygiene**
- **Work diligently, intelligently, efficiently, resourcefully, and consistently**
  - ◆ The sluggard craves and gets nothing, but the desires of the diligent are fully satisfied. Proverbs 13:4
- **Demonstrate leadership >**

## 4. They are faithful and loyal

- Don't talk behind the bosses' back
- Don't gossip or speak evil of anyone
- Don't try to get the bosses' job
- Speak well of the company >



# 5. They understand their company's goals and work to achieve them

Profit is the ultimate goal of a private company; service is the ultimate goal of government

- Without a profit, the company cannot grow or compete in the marketplace
- Highly valuable employees understand how their job fits into the profit structure of the company and strive to improve it
- The company may have other business, social, political and environmental goals; they find their role in achieving them >

# 6. They contribute to the development of others

Don't be selfish; don't try to impress others. Be humble, thinking of others as better than yourselves. Don't look out only for your own interests, but take an interest in others, too. Philippians 2:3-4 (NLT)

**Highly valuable employees are:**

- Cooperative with others
- Communicative with others
- Complimentary towards others
- Cordial to others
- Courteous to others
- Conducive to the success of others >

# 7. They establish a good relationship with their boss and help him succeed

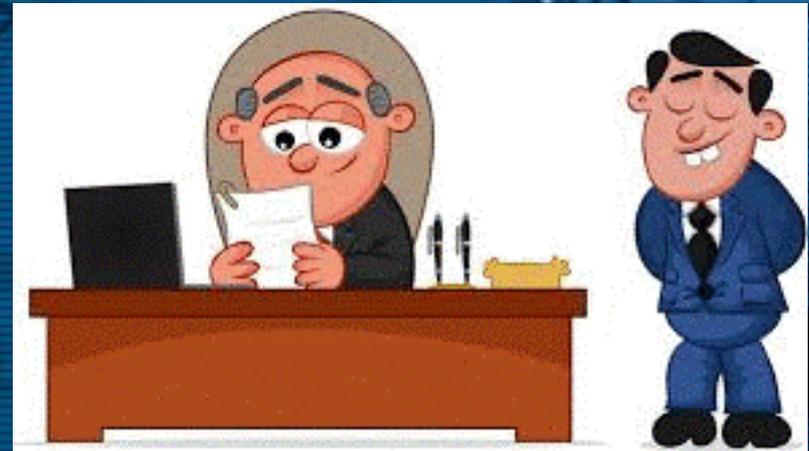
After consistently excelling in their job....

- Find out how the boss is evaluated, and quietly help him/her be successful

◆ Joseph: The LORD was with Joseph and he prospered, and he lived in the house of his Egyptian master. When his master saw that the LORD was with him and that the LORD gave him success in everything he did, Joseph found favor in his eyes and became his attendant. Potiphar put him in charge of his household, and he entrusted to his care everything he owned. From the time he put him in charge of his household and of all that he owned, the LORD blessed the household of the Egyptian because of Joseph. The blessing of the LORD was on everything Potiphar had, both in the house and in the field. So he left in Joseph's care everything he had; with Joseph in charge, he did not concern himself with anything except the food he ate. Genesis 39:2-6a

# Help your boss succeed

- Realize we are not working in isolation, but as part of a team under our boss's leadership
- If we contribute to our boss's success, we increase our value to the company
- Don't be surprised if we rise as your boss rises >



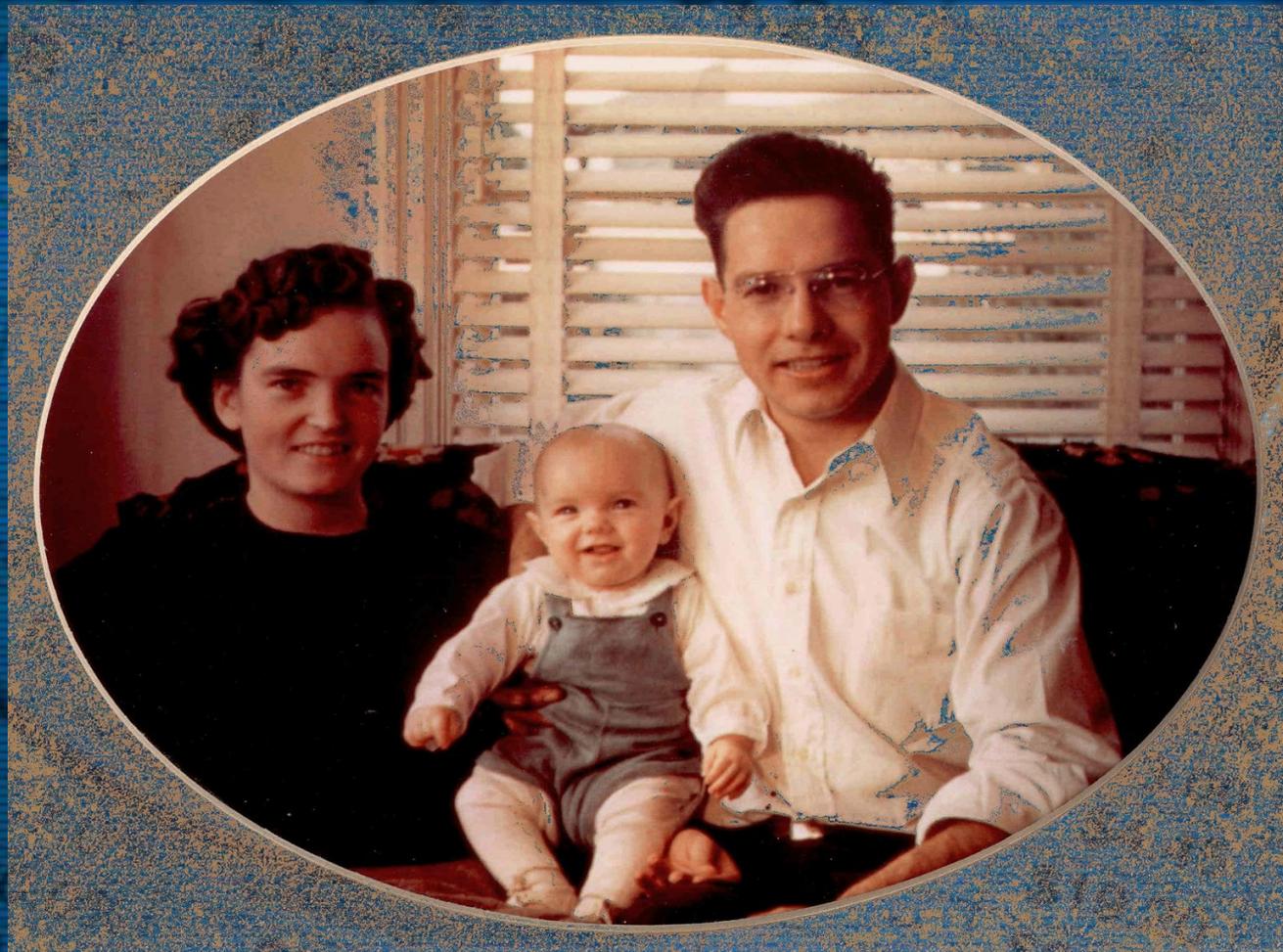
# Caution

## There are risks to helping our boss succeed

- Approach this activity carefully and prayerfully
- Consider a conversation with our boss to reveal our intent and get his support
- Don't neglect our own work – it's still our #1 priority
- Don't snoop or meddle, but rather observe
- Don't do our boss's job
- Don't flatter the boss
- Be very discreet as we go about this objective
- Beware we may incite jealousy among our peers >

# Help our boss succeed-with caution

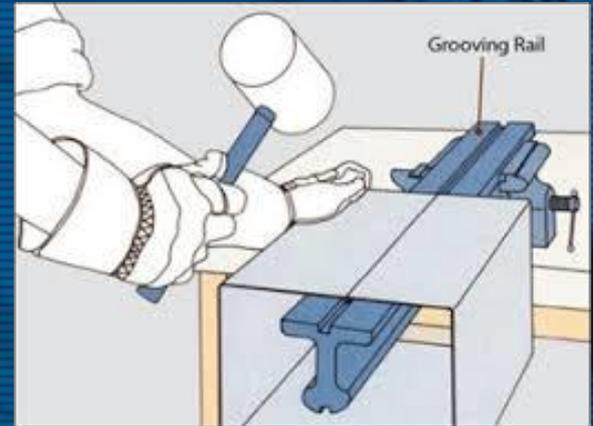
Excerpt from my father's autobiography



# Bill Wilkin (cont'd)

If you contribute to the company's success, you may experience jealousy from your peers

- My dad was an expert in sheet metal layout and fabrication. Because he used his time efficiently, he would often finish ahead of schedule. But this caused jealousy among his peers. Here is one of his stories:



◆ “I had those two cut out and took them over to the welder in a separate building in just about a day. I held them while the welder tacked them together. I then started back to the sheet metal shop.”



# Bill Wilkin (cont'd)

We may be harrassed by some for doing a good job, but others will respect us

“Russell Wong one of the sheet metal workers who was there when I arrived must have been watching me because he caught me on the way and asked me how my job was going. I told him and he said I had to stay with the job until it was all welded. I told him I couldn't just stand there. I had other things to make.”

“After I got back to the shop Anchor Olson another sheet metal worker came up to me and said "we have good conditions here and are not going to let someone from the outside spoil it for them.”

“... The other men and I got along just fine. **In fact they all came to me to find out how to lay out difficult fittings.**”

## 8. They try to work themselves out of a job!!

- “Own the job” as if they owned the company
- Try to make their position unnecessary or combine it with another position
- Look for ways of improving things or making things more efficient
- Our unselfish attitude, working for the company’s success rather than just our own, will be noticed and appreciated
- If our ideas save the company money or make it more efficient, we will increase our value to it
- Don’t be surprised if we are then promoted or assigned to important or strategic positions >

# 8 habits of highly valuable employees

## Review

1. They have a plan for their own future
2. They are honest, responsible, dependable and trustworthy
3. They practice good work habits
4. They are faithful and loyal
5. They understand their company's goals and work to achieve them
6. They contribute to the development of others
7. They establish a good relationship with their boss and help him succeed
8. They try to work themselves out of a job!!

# Habits of highly valuable full-time workers in *Christian ministries*

## How do these same traits apply?

1. Should they have a plan for their own future?
2. Should they be honest, responsible, dependable and trustworthy?
3. Should they practice good work habits?
4. Should they be faithful and loyal?
5. Should they understand their organization's goals and work to achieve them?
6. Should they contribute to the development of others?
7. Should they establish a good relationship with their boss and help him succeed?
8. Should they try to work themselves out of a job?

# Quiz

## Multiple choice or True/False

- Create one or more quizzes that deal with this module
- Usually 4 or 5 choices or statements work best for each quiz
- After allowing a minute or two for the students to complete the quiz, go over the answers. For false statements, ask the class what change could be made to make the statement true

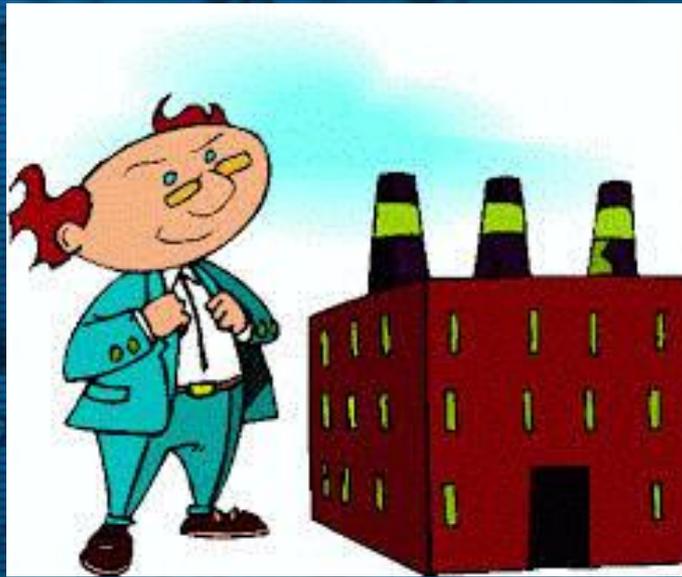
# Let's talk about small businesses

## Micro-enterprises



# Outline

- **Biblical teaching about business**
- **Business basics**
- **Micro-enterprises**



# Biblical teaching about business

## 1. Do all to the glory of God

So whether you eat or drink or whatever you do, do it all for the glory of God. 1 Cor 10:31

## 2. Search the Scriptures for wisdom

The beginning of wisdom is this: Get wisdom. Though it cost all you have, get understanding.

## 3. Make your business a matter of prayer; enlist the prayer support of others

Brothers, pray for us. 1 Thessalonians 5:25 (NIV)

## 4. Seek counsel from godly businessmen

Get all the advice you can and be wise the rest of your life.

Proverbs 19:20 (TLB)

# Biblical teaching about business (cont'd)

## 5. Work hard

Diligent hands will rule, but laziness ends in slave labor.

Proverbs 12:24 (NIV)

## 6. Depend entirely upon the Lord for success

Now listen, you who say, "Today or tomorrow we will go to this or that city, spend a year there, carry on business and make money." Why, you do not even know what will happen tomorrow. What is your life? You are a mist that appears for a little while and then vanishes. Instead, you ought to say, "If it is the Lord's will, we will live and do this or that." As it is, you boast and brag. All such boasting is evil. Anyone, then, who knows the good he ought to do and doesn't do it, sins. James 4:13

- 16

# Biblical teaching about business (cont'd)

## 6. Develop a business plan, asking God for wisdom

By wisdom a house is built, and by understanding it is established Proverbs 24:3 (ESV)

## 7. Create a product or service which meets the needs of others.

What is the distinctive competence or competitive advantage?

## 8. Conduct your business with the utmost honesty and integrity

The LORD detests lying lips, but he delights in men who are truthful. Proverbs 12:22 (NIV)>

# Biblical teaching about business (cont'd)

## 9. Treat customers fairly, courteously, and professionally

And as you wish that others would do to you, do so to them.

Luke 6:31 (ESV)

## 10. Regard your employees highly and empower them

Do nothing from selfishness or empty conceit [through factional motives, or strife], but with [an attitude of] humility [being neither arrogant nor self-righteous], regard others as more important than yourselves. Phil 2:3 (AMP)

## 11. Pay your bills, debts and your taxes

Pay everyone what you owe him: taxes to whom taxes are due, revenue to whom revenue is due, respect to whom respect is due, honor to whom honor is due. Be indebted to no one, except to one another in love. For he who loves his neighbor has fulfilled the law. Rom 13:7-8

# Biblical teaching about business (cont'd)

## 12. Diligently keep abreast of the facts:

Be sure you know the condition of your flocks, give careful attention to your herds; for riches do not endure forever, and a crown is not secure for all generations. When the hay is removed and new growth appears and the grass from the hills is gathered in, the lambs will provide you with clothing, and the goats with the price of a field. You will have plenty of goats' milk to feed you and your family and to nourish your servant girls. Proverbs 27:23 - 27

### Take the time to

- Understand your product, market, competition
- Know the financials
- Care about your employees. Find capable, reliable people to join you as you grow
- Understand relevant social, economic, government regulations, and other factors>

# Let's briefly talk about a critical element of business success

## Profit



# The Biblical basis for profit

Not explicitly advocated, but implicitly endorsed

- Calling ten of his servants, he gave them ten minas, and said to them, ‘Engage in business until I come... “Lord, your mina has made ten minas more,” the nobleman responds, “Well done, good servant! Because you have been faithful in a very little, you shall have authority over ten cities”’ Luke 19:13, 17 (ESV)
- You shall remember the LORD your God, for it is he who gives you power to get wealth, that he may confirm his covenant that he swore to your fathers, as it is this day. Deuteronomy 8:18 (ESV)
- You shall not lend him your money at interest, nor give him your food for profit. Leviticus 25:37 (ESV)
- Come now, you who say, “Today or tomorrow we will go into such and such a town and spend a year there and trade and make a profit” James 4:13 (ESV)

# Profit 101

- Profit is the money left over from the proceeds of the sale of your product or service after deducting all costs associated with providing that product or service.
- Profit = Sales proceeds – all costs
- Profits are necessary for the survival and growth of the business

# Uses of profit

- There are several ways you can use profits
  - Consider 10% of your profits as belonging to God
  - Reinvest the 90% in your business if you want to see maximum growth of your business
- or
- Divert some of the remaining 90% but you may experience lower growth of your business
    - ◆ Provide for your living expenses, future needs, or emergencies
    - ◆ Raise your standard of living
    - ◆ Set aside money for education, retirement, or major giving
    - ◆ Contribute to your Blessings Fund
    - ◆ Make a loan to help someone else start a business

# Costs

- What does it cost you to provide the service or make the product?
- **Components of costs**
  - ◆ **Cost of goods sold**
    - Value of your time
    - Hired labor
    - Materials
    - Overhead (rent, utilities, internet)
    - Equipment (amortized)
    - Packaging, shipping and delivery
  - ◆ **Loan repayments**
  - ◆ **Taxes**

# Profits are practical

## A simplistic example

- **Suppose a business starts with \$100 in capital. Further suppose that it spends all of its capital of \$100 to manufacture its product, pay its workers and distributors, and pay its overhead.**

- ◆ If it sells the product for \$50, it either needs a new infusion of capital to build another unit, or it will go out of business

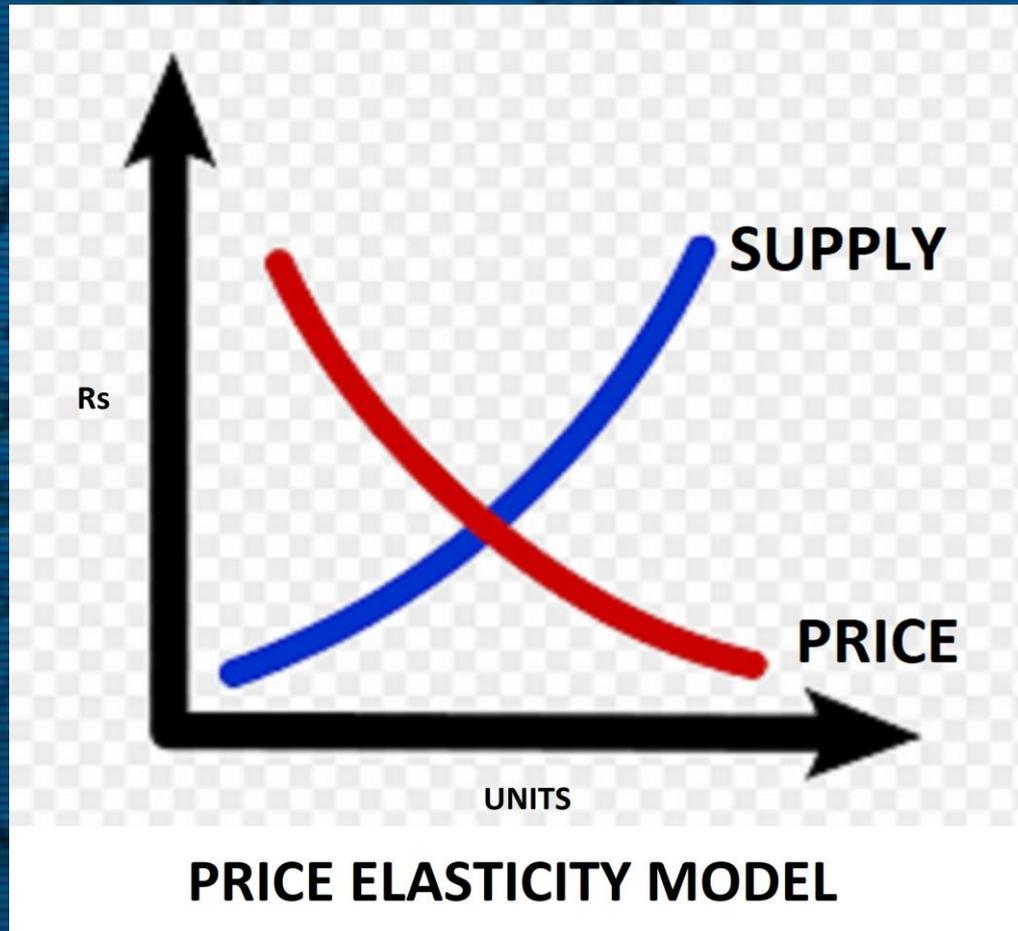
- ◆ If it sells the product for \$100, the business can stay open long enough to build another unit, but won't grow and is vulnerable to competitors

- ◆ If it sells the product for \$200, it can build another unit and one additional one, resulting in company growth

**It should be clear that a profit is necessary for survival and growth >**

# What determines the price you get?

The law of supply and demand



# What determines the price you get?

## The law of supply and demand

- How badly do your customers need your product?
- What alternatives do they have?
- How much do your competitors charge?
- What distinguishes your product from the rest?
- How could you increase the desire for your product?
  - ◆ Innovation
  - ◆ Marketing
- If you sell for a little less (making less profit), would you more than make up for it in greater volume?
- Could you decrease your costs through technology, outsourcing, or automation?>

# Micro-enterprises

- Small businesses started by individuals, families, or small groups (typically 1-5 employees)

- Advantages:

- ◆ Low capital investment
- ◆ Agility – adaptable to changing market conditions
- ◆ Low overhead – minimal needs/costs for
  - Business space – low rent
  - Utilities
  - Salaried employees
  - Support services
- ◆ Independence and control
- ◆ Potential high rewards



Talking it over

# Micro-enterprises

- **Disadvantages:**
  - ◆ Hard work and long hours
  - ◆ Need to gain broad expertise
    - Manufacturing
    - Purchasing
    - Marketing (communications, competition, sales and service, accounting, distribution, government regulations, etc)
  - ◆ All decisions and responsibilities made by the entrepreneur
  - ◆ Feeling of loneliness and isolation
  - ◆ Risk of failure
  - ◆ Resources can be hard to find



**Jack of all trades**

# Micro-enterprises

- **Farming**

- ◆ **Crops with better returns and nutrition**

- Cauliflower and other vegetables,
- Mushroom cultivation,
- Organic black rice,
- Fruit trees,
- Hydroponic herb gardening
- Fish ponds out of holes created through brickmaking

- ◆ **Crops that are lightweight and can be carried by bicycle into villages**

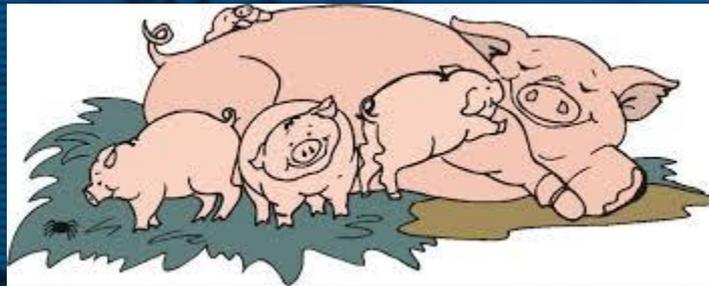
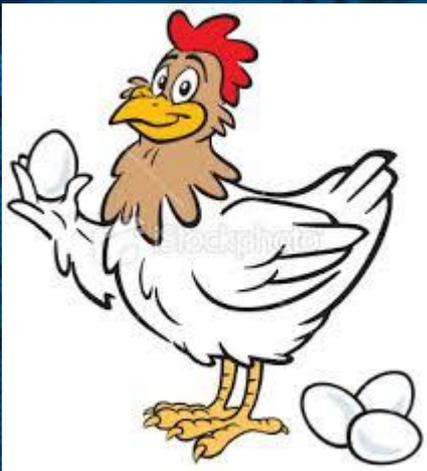
- Turmeric, ginger, garlic, mustard, etc



# Micro-enterprises

- **Ranching**

- ◆ Learn animal husbandry including giving immunizations
- ◆ Raise goats for milk, cheese, goat milk soap & hand cream.
- ◆ Raise chickens for eggs
- ◆ Raise pigs for bacon



# Micro-enterprises

- **Mico-enterprises**

- ◆ Small businesses requiring low capital investments
- ◆ Family operated
- ◆ Examples include
  - Small petty shops
  - Tea stalls
  - Bicycle repair shops
  - Well repair
  - Cell phone repair
  - Brick-making



# Micro-enterprises

## ◆ Examples (continued)

- Solar lighting (sales and installation)
- Boutiques
  - Beauty shops
  - Clothing shops (eg, saris, sandals)
- Services
  - Tutoring
  - Handicrafts
  - Knitting
  - Baby items



# Micro-enterprises

- **Services (continued)**

- ◆ Rent out rooms overnight in your home
- ◆ Prepare and sell meals
- ◆ Operate a motorized rickshaw
- ◆ Become a street vendor with a cart (vegetables/dried fish) selling door to door, etc.

- **Consulting**

- ◆ Invest your time to help others start micro-businesses for a % of their sales or a share of their business

# How to start a micro-enterprise

- **Understand your motivation**

- ◆ Sole source of income
- ◆ Bivocational (eg pastors and evangelists) to supplement salary
- ◆ Extra income (eg, to fund future needs and opportunities, major purchases, parental care, generosity ( Blessings Fund), education, retirement, vacation, etc)

- **Write down your plan**

- ◆ Mission statement
- ◆ Business plan
- ◆ Financial plan
- ◆ Operating plan

# Starting a micro-enterprise (cont'd)

- **Mission statement – written**

- ◆ What is the purpose of your business? Describe the product or service, the need it satisfies, its benefit, and your target market
- ◆ Why your is your product/service needed Describe the need your product satisfies
- ◆ What separates your product from others that are similar? Describe the features and benefits that set it apart.
- ◆ What value do you provide? Describe what wil cause your customers to choose choose your product. Examples include quality, customer service, price/performance, competitive advantages, delivery, warranties, etc)



# Starting a micro-enterprise (cont'd)



- **Business plan – written**

- ◆ Where will I sell my product/service?: The geographical area you will serve
- ◆ How will you get the word to your customers?: (eg, media advertising, salesmen, direct mail, website, social media, Amazon, etc)
- ◆ How will you deliver your product/service
- ◆ How quickly will you deliver your product/service
- ◆ Who else is in this space (competitive analysis)
- ◆ Support plan (guarantees and warranties, training, returns, refurbishment, etc)

# Starting a micro-enterprise (cont'd)

- **Financial plan - written**

- ◆ Capitalization (Do you need a loan or a business partner?)
- ◆ Profit-loss model (Profit = Sales price – (manufacturing costs + marketing costs + O/H + support costs + taxes/fees))
- ◆ Cash flow model (operating capital needs vs time, sources and costs of of capital, etc)
- ◆ How profits will be used



# Starting a micro-enterprise (cont'd)

- **Capitalization – providing the money to get the business up and running until it can support itself**
  - ◆ Lenders may be reluctant to loan you the money unless they are sure you will repay them, with interest
  - ◆ Investors may be concerned about if and when their money plus their expected return on investment



# Starting a micro-enterprise (cont'd)



- **Operating Plan - written**

- ◆ Resources: "What do I need to provide the product/service (space, equipment?)"
- ◆ Suppliers: "Who, what, where, how will I get my supplies?"
- ◆ Employees: "Who do I need to help me?"
- ◆ Distribution network: "How will I get the product/service to customers?"
- ◆ Support team: how will you interact with your customers after the purchase/

# Remember that starting a business involves risk

- Don't start your business before you have provided for your family
- Financing can come from savings or a variety of other places; avoid borrowing money if at all possible
- Make sure you have sought the Lord
- Talk it over with your spouse
- Don't put your family's future welfare at risk
- Be willing to take personal risk of discretionary time and money
- Trust in God for his blessing and success >

# Government, legal, social and political issues affecting businesses

- Pay your taxes that are required
- Tax avoidance (may be good) vs tax evasion (always bad)
- Keep good records
- Stay abreast of the legal, regulatory, social and political landscape >

# Don't be afraid to prayerfully consider entrepreneurship if God presents the opportunity

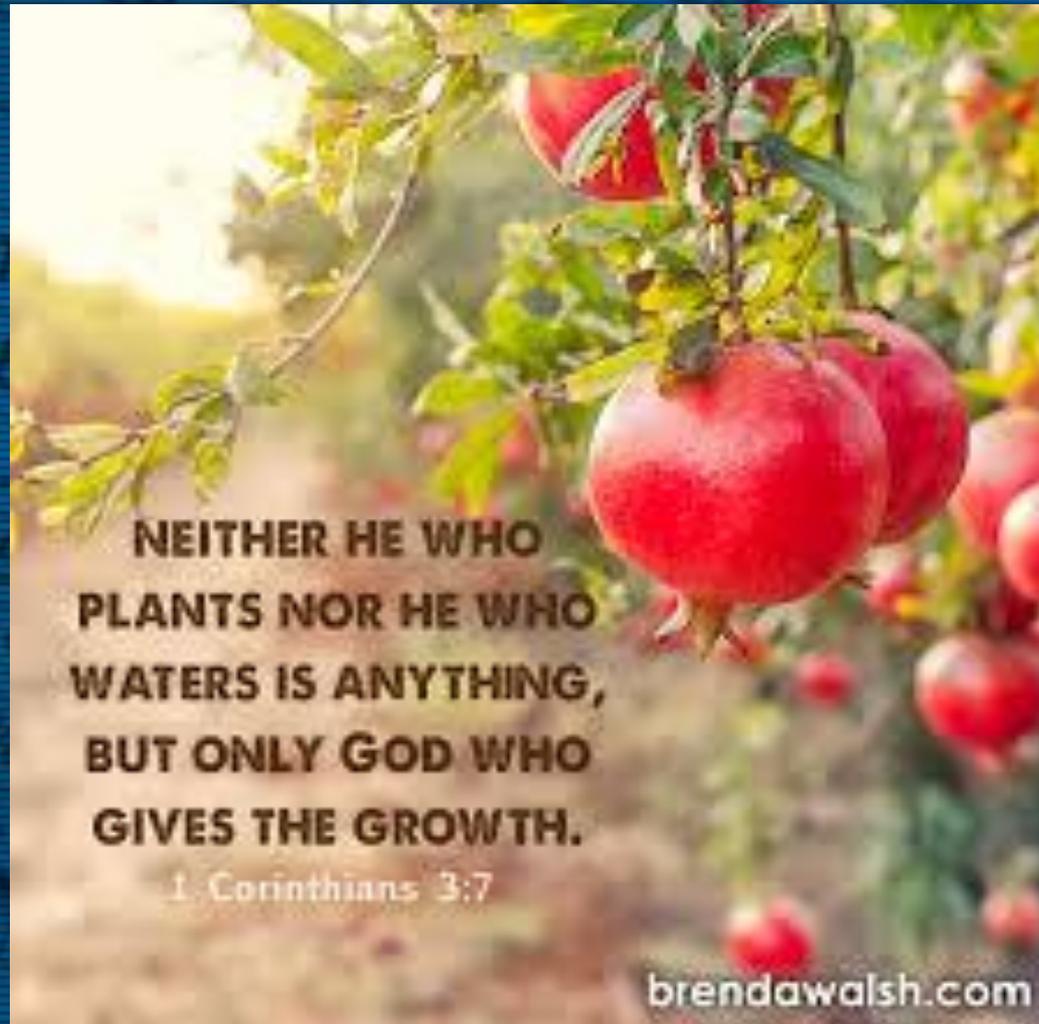
- Prepare in advance for self-employment over a long period of time, with much prayer and planning
- Become a free man if you have the desire, the resources, and the opportunity: *Are you a slave? Don't let that worry you—but if you get a chance to be free, take it. 1 Corinthians 7:21 (NLT)*
- In 1991, at the age of 48, I claimed 1 Cor 7:21 and became an entrepreneur >

# My business and work experience

- Cleaned my father's shop (summers)
- Delivery boy of advertising brochures door-door (age 12)
- Janitor (age 14)
- Grocery store helper (age 16)
- Surveyor's assistant and draftsman (college)
- Carpenter's assistant (college)
- Basketball referee (college)
- Dorm advisor (college)
- Research assistant (college)
- Engineer (professional degree)
- Trash hauler (entrepreneur)
- Property manager (2<sup>nd</sup> career)
- Home builder (entrepreneur)
- Real estate broker



# Trust God for your success



**NEITHER HE WHO  
PLANTS NOR HE WHO  
WATERS IS ANYTHING,  
BUT ONLY GOD WHO  
GIVES THE GROWTH.**

1 Corinthians 3:7

[brendawalsh.com](http://brendawalsh.com)

# Biblical financial principles

## A survey of Scripture

### I. Introduction

### II. A survey of Biblical teaching on money and wealth

### III. 10 Biblical principles about money and wealth

1. God owns everything and we are His stewards
2. Worship and trust God rather than money
3. Beware of the love of money
4. God cares how we manage our money
5. Honor God by faithfully giving of our income
6. Develop a lifestyle which creates margin and save
7. Cultivate a generous heart and live sacrificially
8. Care for the poor, the weak, the oppressed, and the needy
9. Use wealth to glorify God and build treasure in heaven
10. Pursue the true riches rather than material wealth

### IV. Money and your family

### V. Money and the Church

### VI. Money and business

### VII. Money and Society