



Cycle Connect Training Update: In-Field Bicycle Training Guide



EXECUTIVE SUMMARY

Cycle Connect increases income for smallholder farmers in East Africa through productive asset-financing and training. Cycle Connect wants to enhance its impact by providing training sessions that educate its clients' on how to take full advantage of the products and services offered by Cycle Connect. For the last 7 months, our team reviewed Cycle Connect's current training curriculum and practices for the oxen and plough and bicycle assets. We identified both strengths and areas of opportunity in Cycle Connect's current training system. This report offers an enhanced curriculum and recommendations for data management practices that would allow this enterprise to better meet the needs of their clients and facilitate the scaling of this enterprise.

Cycle Connect has already established practices to increase the efficiency of their operations and to increase return on social investment such as setting up a mobile money repayment system, hiring repayment agents, and investing in their training curriculum. However, within Cycle Connect's current training practices, there are areas that could be improved to help Cycle Connect better meet not only these specific goals but also their larger mission of increasing the incomes of farmers in Northern Uganda.

We identified three main areas of opportunity to enhance Cycle Connect's training practices. We recommend that Cycle Connect do the following:

- Deploy enhanced financial literacy materials across bicycle and oxen and plough trainings
- Incorporate improved client engagement practices in training sessions
- Regularly quiz loan officers to ensure they retain critical content that they could deliver to clients

These three areas of opportunities are the focus of our deliverables. Cycle Connect can increase client engagement by using more interactive activities that would likely improve client-officer relationships and provide clients with the confidence to implement sustainable financial habits. Additionally, if Cycle Connect were to implement new content about how clients can more efficiently loan out their oxen and plough to make additional money,

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Cycle Connect would not only be increasing their immediate impact on their clients' lives but would also be able to report higher impact metrics which increases their social return on investment, making them a more attractive investment. Investing resources into improving these training practices would likely lead to higher rates of content retention among both Cycle Connect's clients and their loan officers which would allow Cycle Connect to have a greater impact while operating more efficiently.

By acting on these recommendations, Cycle Connect's loan officers will be better equipped with the necessary information and techniques to engage in dialogues with clients during group training sessions. Consequently, improved communication between loan officers and clients will likely increase clients' retention and comprehension of financial information.

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Bicycle Workbook Implementation Guide

Project Implementation Guide- Bicycle Training In-Field Guide

The purpose of this document is to inform Cycle Connect’s management team on how to implement the following items: the Bicycle Training Workbook, the Bicycle Diagnostic Quiz, the Oxen and Plough Workbook, and the Oxen and Plough Diagnostic Test.

The Workbooks:

Our team developed two training workbooks: one for the bicycle asset and a second for the oxen and plough asset. These workbooks include content for each module, prompting questions, client engagement activities, and built-in checkpoints for feedback. The workbooks will have a dual function: guiding loan officers* during training sessions and refreshing loan officers* on content.

This workbook is meant for use both during and after a Cycle Connect marketing officer or credit officer administers a bicycle training session. During the training session, this workbook will guide Cycle Connect officers to engage with group members through meaningful dialogues and various engagement activities. While not in the field, officers should use this workbook to review content in order to maintain strong levels of comprehension.

*The training workbooks can be adapted for VSLA group leaders in the event that Cycle Connect decentralizes group training.

Prior to Distributing the Workbook to Officers:

- Cycle Connect management should review the workbook and ensure that its contents adequately cover the necessary financial and asset-specific knowledge.
- In the “Introduction to Cycle Connect” Section, one will find the “Goals” subsection. This “Goals” subsection should be updated every year to accurately reflect the direction of the enterprise.

Introducing the Workbook to Officers:

- At the beginning of the first day of formal training for the Credit and Relationship Officers, Cycle Connect should distribute PDF copies of the workbook to each Loan Officer.

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- Stress to the Loan Officers that this Workbook should be used as a guide and not be read to clients
- Cycle Connect must encourage their officers to become familiar with the workbook and explain that there will be a small assessment of how proficient they are navigating the workbook in the coming weeks.
- 2-3 weeks after the distribution of the workbook, Cycle Connect should require all field officers to give a mock module presentation to Cycle Connect management.
 - Although this is a time-consuming recommendation, it is in the interest of Cycle Connect and its clients that the field officers are properly utilizing the training workbooks. These presentations will allow Cycle Connect's management to monitor their field officers' progress and offer feedback on the officers' presentation style prior to them entering the field.
- Once an officer has demonstrated proficiency in delivering the workbook's content, they will be equipped to go into the field and conduct training sessions that are more interactive and less rigid.
- An officer that has yet to demonstrate proficiency in delivering the workbook's content should be given an additional week to review and then conduct a second mock presentation.

In the Field Use:

- Prior to travelling to a group training session, officers should review the day's module and make sure that they have any and all materials or visual aids needed for the session.
- While in the field, the Bicycle Workbook should be used as a guide and not read to clients. Encourage clients to actively participate in the engagement activities.
- Once the module is completed, utilize the blank pages immediately following the module to collect feedback from clients on how the training sessions went.

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The Diagnostic Quizzes:

In addition to the workbooks, our team developed two diagnostic quizzes: one for the oxen and plough asset and the other for the bicycle asset. The purpose of these diagnostic quizzes is to accurately assess field officers' knowledge of the assets and key financial topics. It is important to emphasize to officers that these quizzes are not to judge their capabilities as Cycle Connect employees but to give Cycle Connect an accurate understanding of how training sessions are going on all levels: Cycle Connect to Officers and Officers to Clients. With proper implementation of the workbooks and diagnostic quizzes, Cycle Connect will ensure that the necessary material is reaching clients which can increase Cycle Connect's impact on clients.

The Diagnostic Quizzes should be used in conjunction with the Bicycle and Oxen and Plough Workbooks. The Diagnostic Quizzes include a variety of questions in various formats (multiple choice, short answer, and fill-in-the-blank) and should be administered to field officers to gain insights into how field officers are disseminating information in training sessions and to answer the following questions: are officers being guided by the training workbooks or essentially reading them to clients and what information is reaching clients?

The diagnostic quizzes will be administered online through Google Forms.

Conducting the Quizzes:

- The Diagnostic Quiz should be administered twice in a given loan period for the bicycle asset and three times in a given loan period for Oxen and Plough.
- A Bicycle Diagnostic Quiz should be administered to field officers halfway through the loan period for the bicycle asset (approximately month 5-6) and upon completion of the loan period (approximately month 10-12).
- For the oxen and plough asset, diagnostic quizzes should be administered every six months and upon completion of the loan period.

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- Loan officers should take the diagnostics quizzes in an environment that does not allow for outside resources to be referenced (i.e. other officers, tablets, training content).
 - Having a manager or designated employee to oversee this would be a worthwhile time investment.
- Once all of the officers have taken the quiz, the responses compiled through Google Forms should be reviewed and recorded in an excel spreadsheet.
- If any inconsistencies in training practices or knowledge arise, consider conducting additional officer training sessions for all officers or individuals.
- The quizzing process should be repeated until the end of a given loan period. (test, review, log in excel)

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Bicycle Training In-Field Guide

*Pre- and Post-Disbursement
Bicycle Group Trainings*



**Santa Clara
University**



Miller Center
for Social Entrepreneurship

Introduction to Users

This workbook is meant for use both during and after a Cycle Connect marketing officer or credit officer administers a bicycle training session. During the training session, this workbook will guide Cycle Connect officers to engage with group members through meaningful dialogues and various engagement activities. While not in the field, officers should use this workbook to review content in order to maintain strong levels of comprehension. The Appendix section at the end of this workbook includes visual aids and handouts that supplement various training modules.

Remember: The purpose of this workbook is not to dictate what an officer should say and do while in the field with their groups. Officers should treat this workbook as a framework that they will fill with their own style, strategies, and personal experiences.

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Introduction to Cycle Connect: History, Mission, Vision, Values, Goals, Why We Exist, Our Products

Module 1: VSLA Refresher (Leadership and Savings Days)

- Loan Terms, Monitoring and Repayment Documentation (Credit Policy), Loan Agreement (Terms & Conditions), Repayment schedules (Group Copy), Passbooks records, Late Repayments (Fines and Penalties)

Module 2: The Importance of Saving, Budgeting, and Investing

Module 3: Taking a Loan + Cycle Connect Loan Policies and Procedures

Module 4: Bicycle Care and Maintenance

Module 5: Marketing & Growing a Customer Base

Module 6: Basic Record-Keeping Template

Module 7: Payoff, Return of Deposits (Credit Policy)

Introduction to Cycle Connect

Our journey began with a single bicycle when our founder discovered the empowerment, freedom, and opportunity that a bicycle can bring. As initially a lease-to-own bicycle organization, we saw how bicycles were used to create access to critical resources, increase income, and improve rural livelihoods. The model worked so well that we decided to apply the same model to more productive assets to give our clients more opportunities to invest in their futures.

The Cycle Connect story began with a single bicycle that our co-founder, Muyambi, encountered during his childhood in Uganda. Muyambi realised the immense potential that a bicycle could have for a rural family in a developing country. He turned that realisation into action.

Bicycles

A bicycle loan allows our clients to go farther to access critical resources such as water, education, and healthcare. With a bicycle, a client can carry 5x more crops, go 4x the distance, and increase their income by 35%.

Our Mission

Cycle Connect's mission is to increase income for smallholder farmers in East Africa through productive-asset financing and training.

Our Vision

Cycle Connect envisions a world where everyone living in the last mile has the means to thrive, not just survive.

Financial Inclusion For Smallholder Farmers

The main assets in our current portfolio include bicycles, motorcycles, oxen & plough, and grinding machines. All of our products are vetted and tested for their ability to increase income for smallholder farmers. Our growing portfolio gives our clients the ability to continuously invest in their future to generate the highest level of impact. Our goal is to be a lifetime partner for our clients.

Our Values

SOLUTION ORIENTED – Roll up your sleeves.

BOLD – Challenge the status quo: new ideas fuel growth.

ACCESSIBLE – The closer to the ground, the better.

HUMILITY – Serving others first (Take your swag elsewhere).

INTEGRITY – Commitment to Honesty.

Why We Exist

Distance should not be a barrier to **Access and Opportunity**

Our Goals

Reach 10,000 Clients

As we prepare to scale our operations, we are strengthening our internal operations so that we can expand to new locations in Uganda, grow our team, and reach 10,000 clients by 2021.

Reach 1 Million Clients By 2035

We have a bold objective of catalyzing the movement of one million smallholder farmers out of extreme poverty, and a realistic plan to achieve this over the next ten years.

Moving Clients Towards a More Sustainable Standard of Living

Cycle Connect's ultimate goal is to move all of our clients towards a more sustainable standard of living by equipping them with the necessary tools and knowledge to achieve their dreams. We envision a world where everyone living in the last mile has the means to thrive, not just survive.

Module 1: VSLA Refresher (Leadership and Savings Days)

Attendance:

Group Members can only miss 1 of the modules and still receive a loan.

***Important Things to Remember:**

- **Group Members will be asked to sign an attendance sheet for each module they attend.**
- **Attendance for the Cycle Connect Loan policies module is mandatory for all.**
 - **If a group member does not attend the Cycle Connect Loan Policies group session, he/she will not receive their asset until they have gone through the loan agreements with a credit officer and signed the necessary documentation.**
- **Module 3 and 4 typically happen on bicycle distribution day, so no one should miss these.**
 - **If a group member does not attend the training sessions on bicycle distribution days (Modules 3 & 4), Cycle Connect will retain possession of the bicycle until a later meeting date is arranged between the credit officer and the group member.**

Characteristics of a Successful VSLA Group

- Having a strong constitution and all members (group leaders inclusive) following it.
- Groups that keep time, and have fines for: being late, talking during the meeting, etc.
- Groups must be registered at the district and/or sub-county headquarters.
- Strong group leaders that follow through on rules and regulations of groups. It is not good enough to simply have rules in the constitution. Rules should be consistently followed and enforced.

- Groups should have trustworthy leaders that have excellent record keeping skills, and mobile phones for easy communication with other group members, Cycle Connect, and local government officials (LC1s).

Group Engagement Activity #1

Story 1:

There is a VSLA group in Anaka called Rubanga Tek. They elect a son of a prominent business leader in the community as the group chair, since they do not want to offend the father, who is very important in the village.

A community worker explains that a group's chairperson needs to be confident, calm, organized, and respected. After several weeks the group chair grows uncomfortable with duties and resigns from his leadership position.

This resignation causes delays and confusion, the group therefore misses several of their meetings and many members start coming late to the meetings.

Questions to Ask:

1. What is the problem with this VSLA group?
2. How could this situation have been avoided?

***Important Things to Remember:**

- Group leaders should be elected on merit.
- Speak up when things aren't right.
- Group members are still responsible for following their constitution and obligations even if the leader fails in their duties.

Story 2:

In the community of Obera Abic, community members form a VSLA group named Palaro Rajab. The group decides to take bicycle loans from Cycle Connect. The members decide they all know each other and don't need their leadership involved with Cycle Connect. After a few repayment meetings, the group decides they want to speed the process and just drop the money off with a member.

At the next meeting there is a disagreement about how much was collected for the Cycle Connect payments. When Cycle Connect says how much they received the previous month, it's different from what members say they gave. Some members grow angry and leave the meeting. The LC1 is called to help address their concerns.

Questions to Ask:

1. What went wrong?
2. How could this be avoided?
3. What role do group leaders play?

***Important Things to Remember:**

- It is important for group leaders to ensure all members meet regularly and see the loan payment transactions.
- It is important to set and follow procedures.
- Strong group leaders are important for the success of the group's repayments.
- Whoever handles money needs to keep written records.

Savings Days

- Make sure to inform group members on what day and at what time a Credit Officer be collecting repayment from the group.

***Important Things to Remember:**

- Remember that if a member misses a payment, it is the group's responsibility to cover the payment and get the member to pay the group back.

Module 1 Summary

- Being an active member in a well-functioning VSLA will help you meet your financial goals and will help make you eligible for a Cycle Connect bicycle loan.
- Your VSLA should have a constitution, strong leadership, regular meetings, and enforce rules for members.
- It is every member's responsibility to make their VSLA group successful.

Client Check-in

- **Ask Clients to share any economic, agricultural, or bicycle-based challenges they have faced in the past month. Record these challenges on chart paper.**

***Thank the group members for their attention and active participation.**

Ask them all to sign the training attendance sheet.

Module 2: Saving, Budgeting, and Investing

Materials Needed for this Module:

- Mock shillings—ensure you have at least 1 coin (**Group Engagement Activity #6**)
- Two objects to represent Piglets (**Group Engagement Activity #6**)
- Chart Paper (**Group Engagement Activity #3**)

Group Engagement Activity #1: Module 1 Review Questions

1. How many training modules do you have to attend to receive a bicycle loan?
2. Why are VSLA groups critical to completing a successful loan?
3. Why in the Cycle Connect loan process would having strong group leadership and group organization be important?
4. What do you do if leaders are not fulfilling their duties?

Savings

Savings is setting aside part of what you are earning to use at a future point. Savings often means having less today, but a higher return in the future.

Group Engagement Activity #2: The What, Why, and How of Saving

- **Consider asking group members the following:**
 1. What are you saving for?
 2. Why are you saving for this (expense)?
 3. How long have you been saving?

Group Engagement Activity #3:

- Create a fictional savings scenario of your choice (ex. saving for school fees, saving for motorcycle maintenance, saving for an ox).
- Have group members come up with a savings target that fits your hypothetical scenario. (amount of money needed and the time period)
- Have group members set up a savings plan (account for monthly income, # of months it will take to reach target, any additional expenses)

- Document savings plan on chart paper.
- Throw in obstacles like unexpected expenses or circumstances (veterinary fees, medical fees, bad harvest) if group members are understanding the basics.
- **Keys to Successful Saving:**
 - Have a Savings Goal
 - Start Saving Immediately
 - Keep Savings in a Safe Place
 - VSLA
 - Mobile Money
 - Have Emergency Savings

Budgeting

A **budget** is a plan for how your available money is allocated.

Discretionary Money is the total of a calculation of all the money you earn minus all the money you spend in a specific period of time (a week).

- **Budgeting** is also used when referring to limiting spending to a particular amount each month (equal to or less than what you earn) so you can save for a specific purpose (school fees.)
- **Budgeting** also implies that you will sometimes not be able to purchase something you want, and only purchase things you need, so you can reach your savings goal.

Client Engagement Activity #4: Are the Following Statements True or False?

Be sure to ask clients why an answer is either true or false. Wants and needs are subjective in some cases.

- | | |
|-------------------------------|-----------------------------------|
| 1. A Smartphone is a need T/F | 5. Soap is a need T/F |
| 2. Medicine is a want T/F | 6. Soda for a child is a need T/F |
| 3. A Sofa is a need T/F | 7. Food is a need T/F |
| 4. A Car is a want T/F | 8. Jewelry is a want T/F |

Budget Killers are expenses that prevent you from reaching your savings goals

Group Engagement Activity #5

- Have group members name as many budget killers as they can.
- After the group members have named some budget killers, explain how this money could be saved or spent in more productive ways. (school fees, savings, food, etc.)
- Differentiate between unexpected but necessary expenses (such as medical expenses for emergencies) versus impulsive spending on wants (such as alcohol or luxury items).

Investing

An **Investment** is the purchasing of a good that will help you earn money or a good that may be more valuable to you in the future than it is at the time of purchase.

- **There is no guarantee that investments will increase in value, but most times they do.**
- Examples of investments:
 - Buying two pigs which will produce piglets.
 - Buying an ox which will earn money ploughing fields for years to come.
 - Paying school fees for a child who will become independent and will take care of you in your aging days.
 - Buying a plot of land in the center to build a shop. The land will be worth more in 10 years than it is now.
- **A Cycle Connect Bicycle is an Investment!**
 - It will allow group members to earn more money for years to come

Group Engagement Activity #6

- Distribute mock shillings and two “piglets” to two group members
- Have the rest of the group members choose a side (group member 1’s side or group member 2’s side)
- Explain how the piglets are now full-grown pigs ready to produce piglets.
- Flip a coin to determine which group member’s pig will die
- Give the group member whose pig survives 4 more “piglets”

- This is an example of the risk/reward nature of investing. Investments have varying levels of risk.

Ways to Obtain Capital Needed to Invest:

- Utilize Savings
- Sell another asset.
- Take a loan from a VSLA, MFI, or bank.

Examples of ways people avoid risk:

- Diversification of their risk by having multiple income sources.
 - This means rather than only farming you also own a small restaurant or shop.

Group Engagement Activity #7: Questions for Group Members

- In what way could you diversify your risk when making an investment for a Cycle Connect bicycle?
- Do you have any secondary sources of income?
- What could you do if your crops don't do as well as expected to make the Cycle Connect payment?
- How can a borrower prepare for the "hunger season" in June and July when you may also need to be paying school fees?

Module 2 Summary

- Saving, budgeting and investing are all important to understand and practice for successful financial management.
- Saving successfully means starting now, setting a savings goal for a specific amount and period of time, saving in a safe place (like a VSLA or mobile money), and keeping additional emergency savings.
- Budgeting requires you to analyze what you are earning and how you are spending your money and eliminating budget killers that would prevent you from reaching your savings goals.
- Investing can help you increase your income or assets in the future, but there is a risk that you have to consider too.

Client Check-in

- **Ask Clients to share any economic, agricultural, or bicycle-based challenges they have faced in the past month. Record these challenges on chart paper.**

Module 3: Taking a Loan - Cycle Connect Loan Policies and Procedures

Materials needed for this Module:

- Chart paper, markers. (**Group Engagement Activity #2, #5, #6**)
- Collateral Images: house, land, bicycle, goats. (**Group Engagement Activity #3, #4, #5, #6**)
- Mock Shillings (**Group Engagement Activity #3, #4 and #5**)

Group Engagement Activity #1: Modules 1 & 2 Review Questions

- Why are VSLA groups critical to completing a successful loan?
- Why in the Cycle Connect loan process would having strong group leadership and group organization be important?
- What are 1-2 savings tips from Module 2?
- What are budget killers?
- How can investing help you reach their financial goals?
- What was the most important thing they learned in the last module?

A **loan** is borrowing money for a good and paying it back with interest over time.

The alternative to a loan is not receiving the cash or good or saving until they have raised the entire amount needed (which may take many months or years).

Group Engagement Activity #2: Pros and Cons of Loans

Using chart paper, create a pros and cons list of taking out a loan. Encourage the group to identify at least five things for each side. Record them on the chart paper.

Question to ask: Do the pros outweigh the cons?

Loan Basics: Deposit and Down Payment:

- **Deposit** - a sum payable as a first installment on the purchase of something or as a pledge for a contract, the balance being payable later.
 - This money is kept as security in case buyer defaults.
 - Fines or fees may be deducted from a deposit if the borrower does not follow the terms of the loan.
 - Groups can decide to apply their deposit to the last repayment of the loan period
 - Cycle Connect will return the deposit to the group upon completion of the loan period. The group executives will then redistribute this money to individual members
- **Down payment** – Money a borrower puts towards the purchase of a good. This money is therefore deducted from your total balance.

Collateral:

Collateral is a piece of property or an asset that a borrower pledges in order to secure a loan.

- Collateral protects lenders in case a borrower defaults (does not pay back the loan).
- In traditional loans, someone may be asked to put up an asset (house, machinery, land), while in asset-financing the product being purchased (bicycle) acts as the collateral.
- At Cycle Connect, the bicycle remains the property of Cycle Connect until the loan is completed, so it acts as the primary collateral.

Group Engagement Activity #3: Understanding Collateral

- Distribute an image of a bicycle and mock shillings to two group members.
- Explain that the bicycle is still owned by Cycle Connect until the loan repayment is completed.
- Walk between the two group members and collect repayment until . . .
- Introduce an obstacle that prevents one of the group members from being able to repay the loan.
- Repossess the bicycle from the group member that is unable to pay and continue to collect payment from the group member that is able to pay.

- Once the repayment is finished, explain to the group that the group member that successfully completed the repayment schedule is now the owner of the bicycle while the other group member does not yet own the bicycle.
- Explain how instead of taking the group member's home away, the group member simply loses the asset.

Guarantor:

A ***guarantor*** is a person who is required to pay back a loan if the borrower defaults. Most loans require at least one guarantor to protect the lender from risk.

- At Cycle Connect, the entire group serves as the guarantor for group loans rather than an individual. Cycle Connect relies on group executives to collect all payments in their full amount. The group is responsible for holding individual members accountable for repayment.
- However, members of the group can have personal guarantor. A spouse, neighbor, or fellow group member can be a member's personal guarantor.

Group Engagement Activity #4: Understanding a Guarantor

- Conduct the same activity as the one used for collateral.
- Distribute an image of a bicycle and mock shillings to two new group members.
- This time, assign one group member to be a guarantor (group executive). Provide them with mock shillings.
- Walk between the two group members with assets and collect repayment until . . .
- Introduce an obstacle that prevents one of the group members from being able to repay the loan.
- Explain how now that the group member is unable to repay the loan, they are at risk of losing the asset.
- Have the guarantor (group executive) step in to complete the loan repayment.

Loans Come at a Cost— Interest

- When a borrower takes a loan, they are required to pay back that amount plus a charge known as an **interest rate**. Many traditional institutions use a percentage rate to calculate interest. Other organizations may use a flat fee for interest.

- If you are paying in installments you are likely paying interest. Any product which costs more in total over time versus if you came in and paid the full price has interest.

Group Engagement Activity #5:

Use chart paper to show the interest rate of Cycle Connect and two competitors (BRAC, Talanta, Pride, etc.).

- What additional costs come with loans?
 - Some lending institutions may charge other fees in addition to interest, so it's important to ask about all additional fees.
 - Examples of these fees include application fees, or fees for late payments, or fees for early payment.
 - Cycle Connect charges different fees (depending on the loan product) for its application and administration fees, paid in advance of receiving the loan.
 - **For the bicycle asset, Cycle Connect charges the following fees:**
 - **5,000 UGX application/admin fee multiplied by the total number of group members receiving bicycles (5,000 UGX per client)**
 - **A deposit fee of 5% of the total cost of all bicycles loaned to the group.**
 - **A down payment of 10% of the overall cost of all bicycles loaned to the group**
 - **Amount due at signing: Deposit + Down Payment + Application/admin fees**
 - **Remember: Cycle Connect is not collecting payment from individual group members but from the group as a whole.**

Group Engagement Activity #6:

Use visual aids (writing or drawing on chart paper) to ask what the difference is between a deposit and a down payment while giving the following details:

- Cycle Connect - On the same day as the bicycle distribution, before receiving a bicycle:
 - a down payment of **10% of the overall cost of all bicycles loaned to the group is collected**

- an Admin fee of 5,000 UGX multiplied by the number of group members receiving bicycles is collected,
 - **A deposit fee of 5% of the total cost of all bicycles loaned to the group is collected**
- The down payment is deducted from total cost of bicycle.
 - The deposits of every member are pooled together to create a group deposit. The group deposit will go back to the group and is not for any particular individual. We would expect the group to split the remaining balance evenly. The group deposit can be used for late fines, for cases when a bike is repossessed, or conditions do not allow Cycle Connect to recover the loan balance, or when a bicycle cannot be repossessed.

Productive Loans v. Unproductive Loans

- When receiving a loan, it's important to ensure the loan is used in a way which helps you earn additional income.
 - Make the loan make money
 - Example:
 - If Komakech buys a grinding mill with a loan, he can make money with the mill for years to come. But, he has to calculate how much he will earn after paying the monthly payment.
 - However, if Komakech spends the loan buying a big meal for his friends, it is an **unproductive loan** as he cannot use it to increase his income.

Asset Financing versus Cash loans

- In **asset-financing** you receive a good as a loan rather than cash.
- For example, Cycle Connect does asset-financing.
- How do we know this? → Clients purchase bicycles as a form of a loan.
- Asset-financing often restricts its loans to productive assets to ensure clients use the loan to make money.

Herd Mentality:

- Don't take a loan just because others do. Take it when you need it, when it will help increase your income, and when you are confident you can cover the monthly payments.
- What happens if you don't pay back a loan?
- ✓ If you don't pay back a loan it doesn't just mean that you may have your possessions taken, it also affects you in the future. Banks and organizations keep financial history of individuals and groups so it's likely that any default will affect future loans. If you don't pay back your first loan, you won't be able to get a future loan.
- ✓ In asset-financing, you do not own the asset until you have paid for it completely, so even if you miss only your very last payment, there will still be consequences. These consequences include late fines to the entire group and repossession of the bicycle (asset).
- ✓ Failing to pay back a loan can also tarnish an individual's reputation in a community, and the group's reputation in the community.

Making Payments:

- Group members shall make payments to group executives via Mobile Money, and Cycle Connect's credit officers will collect the payment from the group executives.

Missing payments:

- Loan organizations charge fees for late payments as it requires Credit Officers to spend additional time on this loan when a payment is missed.
- At Cycle Connect: The defaulter **MUST** report to the group leaders immediately and explain why he/she cannot make their payment.
- We expect that an individual will not miss a payment. We expect that group members will cover each other. If the group covers the payment it has no effect on the loan.
- Credit Officers will follow-up with group executives. A plan for payment will be made.
- **If a group misses a payment, a 1% fee is charged on the amount still due. The group is responsible for covering the interest and the outstanding balance.**

If multiple payments are missed:

- If a group misses multiple payments, Cycle Connect recommends that the group executives repossess the bicycle asset from the members who are missing payments.
- If the group continues to miss payments, Cycle Connect will issue several warnings to the group, send loan notices, and will engage group leaders to come up with a plan to reach 100% repayment.
- As a last resort, Cycle Connect will come in and repossess all of the bicycles.
- When the group as a whole fails to repay the loan, Cycle Connect retains the group deposit as collateral until entire loan is paid back

Group Engagement Activity #7: Act It Out (2 group members)

- One group member is a person who doesn't pay back a loan.
- The other is a group executive.
- Act out a method that can be used to recover the loan.
- Next two different members should act out a different way.

How is Cycle Connect Different from Traditional Lenders?

- ✓ Cycle Connect provides asset financing at a much lower rate than our competitors.
- ✓ It provides asset-financing which is an easier type of loan than most others. Bicycles are delivered locally, instead of purchased in town.
- ✓ Cycle Connect ensures our clients make an investment which can help them generate more income by getting more goods to market, saving money on transport to schools or clinics, and allowing them to reach markets that are farther away.
- ✓ Cycle Connect provides trainings (such as this one) on financial education and how to use loans so that clients have all the information before taking a loan.
- ✓ Cycle Connect allows their clients to use the asset before it is fully paid for.
- ✓ Cycle Connect's officers deliver assets and training sessions directly to clients.

Module 3 Summary

Key Terms:

- A **loan** is borrowing money for a good and paying it back with interest over time.
- **Deposit** - a sum payable as a first installment on the purchase of something or as a pledge for a contract, the balance being payable later.
- **Down payment** – Money a borrower puts towards the purchase of a good. This money is therefore deducted from your total balance.
- **Collateral** is a piece of property or an asset that a borrower pledges in order to secure a loan.
- A **guarantor** is a person who is required to pay back a loan if the borrower defaults. Most loans require at least one guarantor to protect the lender from risk.

- **For the bicycle asset, Cycle Connect charges the following fees:**
 - **5,000 UGX application/admin fee multiplied by the total number of group members receiving bicycles (5,000 UGX per client)**
 - **A deposit fee of 5% of the total cost of all bicycles loaned to the group.**
 - **A down payment of 10% of the overall cost of all bicycles loaned to the group**
- **Amount due at signing: Deposit + Down Payment + Application/admin fees**
- **Remember: Cycle Connect is not collecting payment from individual group members but from the group as a whole.**
- **If a group misses a payment, a 1% fee is charged on the amount still due. The group is responsible for covering the interest and the outstanding balance.**

What makes Cycle Connect Different from Traditional Lenders

- Cycle Connect provides asset financing at a much lower rate than our competitors.
- Cycle Connect allows their clients to use the asset before it is fully paid for.
- Cycle Connect's officers deliver assets and training sessions directly to clients.

Client Check-in

- **Ask Clients to share any economic, agricultural, or bicycle-based challenges they have faced in the past month. Record these challenges on chart paper.**

Module 4: Bicycle Care and Maintenance

* This module is delivered by the Cycle Connect Credit Officer

If it is not being completed at loan distribution, ask participants if they can bring or borrow bicycles for this demonstration (Neelam).*

Materials needed for this Module:

- Bicycle or Images of Bicycles (Group Engagement Activity #2)

New Bicycles - Parts that Need to be Replaced and Replacement Timeline:

Bicycle Part	Cost (UGX)	Replacement Timeline
Valve	500 per wheel (1000 total)	Immediately
Tyres	15,000-17,000 per tyre	1-3 months (dependent on usage)
Carrier	10,000-15,000	Dependent on Client's Transport Load
Pedals	15,000 a pair	In the 1 st year
Tubes	4,000-6,000	Can last for years

- Servicing- This depends on the use of your bicycle. It is advisable to do general servicing (check the parts, grease, oil chain, tighten the bolts) once a month.
 - The cost of servicing one's bicycle is mostly about the "time it costs"-assuming you have the tools.
 - However, there are minor costs for oil and grease.
 - **Those costs should be spread among the savings group because no one will ever use a whole tube of grease or a whole can of oil. So, the group should buy it and share it among the members.**

Group Engagement Activity #1: Questions for Group Members

1. Where could you purchase a new valve for your bike?
2. Where could you purchase new tyres for your bike?
3. How much money do you make on a typical awaro market day?
 - a. Based on how much they make, ask how many market days it would take to pay for tyres.
4. Why is it beneficial to share the cost of a whole tube of grease or a whole can of oil amongst the savings group?

Group Engagement Activity #2:

Use a bike, or an image of bicycle, to ask group members what the name of that part is, and if it needs to be replaced on a new bicycle. Identify the following parts:

- Frame
- Brakes
- Seat
- Fork
- Wheel/ Tyre/ Valve
- Wing lock (discussed later)
- Chain box
- Engine
- Carrier
- Spokes & Hub
- Pedal
- Bell

Washing the Bicycle:

- Be deliberate about where you are pouring the water.
- Washing is important, but it can also damage the bicycle. Do not allow water to enter the wheel hubs or engine.
- Do not turn bicycle upside down for washing. Re-apply oil and grease after washing.

Overloading the Bicycle:

- New bicycles should be ridden for two weeks without over-speeding or carrying large loads.
- At this time, you should be checking all the parts and tightening the nuts. After two weeks, you can gradually increase the load.
- If you change the tyre and carrier, you can carry heavy loads (90-100 kilos) without problem.

Tools that come with new bicycle:

- A Bicycle comes with two small spanners and a pump.
 - These tools can facilitate any minor fixes that need to be made. For major fixes, additional tools might be necessary.
 - Remove the spanners from the carrier and show how they can be used.
 - Take pump off and connect tube. Pump to show how they fill the tubes with air.

- Tool A -1 tool has about 11 small holes inside- Can tighten almost all parts of a bicycle.
- Tool B – 1-hole spanner- Tightens only the front and rear axle.
- Pump

Quick Reference: Instructions for Changing a Tyre

Removing a Tyre and/or Tube:

- 1.) Loosen nuts on both sides of front tyre (located at direct center of tyre) using Tool B.
- 2.) Remove shock absorber (can use side of tool to help remove) using Tool B
- 3.) Remove stick mud gate from wheel
- 4.) Remove wheel with downward motion
- 5.) Remove valve
- 6.) Use tool A to go between tyre and rim- leave it there
- 7.) Use tool B flat side to continue around rim taking tyre off
- 8.) Remove tube inside tyre
- 9.) Remove tyre (You can use same tube with new tyre unless it has holes)

Putting on a New Tyre:

- 1.) Put tyre on rim.
- 2.) Put tube inside tyre (lining up with valve), working slowly around rim.
- 3.) Use the tool B to put the tyre back inside rim.
- 4.) Pump up the tyre to the pressure stated on the tyre.
- 5.) Turn bicycle upside down to put tyre back onto bicycle.
- 6.) Start by putting it on fork, then mud guard stick, followed by fork guard.
- 7.) Use tool B to tighten nuts back.
- 8.) Make sure wheel is balanced, meaning nuts are balanced in the middle. To check balance, you can spin the wheel. It should not rub on anything, especially not the brake pads.

Mechanic Tip:

- If you get a problem with the tyre to make it last at least for a few days, you can put part of old tube inside, until you get a new tyre.
- The back tyre is more difficult because you must remove all the parts (chain guard, chain, carrier straps, etc.) before removing tyre.

Tightening the Center Nut:

- When you feel handlebar shaking this is a sign your center nut could be loose.
- Frequent use of the bicycle can loosen the center nut. Use tool A to tighten.

Tightening a Loose Brake:

- Explain that the sign of a loose brake is if you are riding and when you try to stop, it is slow to slow down.
- Demonstrate how to use Tool A to tighten the nut on the brake tube.
- Ask a volunteer to come and tighten the brakes on the bike.

Using the Wing Lock:

- ✓ Explain how to use the wing lock to lock the back tyre.
- ✓ Invite someone in the group to try it.
- ✓ Help them if they struggle. Then, give someone else a chance to use the wing lock.

Warranty Policy:

At Cycle Connect, you have one week to report any manufacturing errors on the bicycle. This mainly covers the frame, engine, handlebars, etc. and does not include small parts like tube valve, reflectors, etc. This warranty does not include misuse, overloading, or theft of the bicycle. At that point you can bring the bicycle to the office or our mechanic can come to the field and inspect the bicycle. Any parts that have a manufacturing problem will be replaced. Any complaints past one week are not valid. To report a manufacturing error, contact your Credit Officer and fill out a customer contact form.

General Riding Tips:

Discuss the following general riding tips for new or inexperienced riders by asking members of the group the following questions:

- How should you place your feet on the pedals?
- Balance the ball of the foot on the center of the pedals.
- Where should you sit on the seat? (You can demonstrate the proper seating position.)
- Balance your body on the middle of the seat (not too far front or back).
- Which brake should you use most when slowing to a stop? Why?

- When braking, use the rear brake first, then apply the front brake a little.
- If you use the front brake first, you will go over the handlebars.

Group Engagement Activity #3: Questions to Ask

1. How long does a client have to report any manufacturing errors on the bicycle?
 - a. 1 week
2. What does the bicycle warranty not cover?
 - a. This warranty does not include misuse, overloading, or theft of the bicycle. It also does not include small parts like tube valve, reflectors, etc.
3. How do you report a manufacturing error?
 - a. To report a manufacturing error, contact your Credit Officer and fill out a customer contact form.

FAQs:

Question: If engine is broken, is it possible to repair?

Answer: If your engine is broken, it can still be repaired. You will know this if the pedals are loose, or you cannot move forward when you try to pedal. This problem needs to go to proper mechanic. If your engine gets spoiled several times, it might not be able to be repaired. It should be repaired as soon as you notice the problem.

Question: How do I know if my wheel is strong?

Answer: You feel weight when you are aligning.

Question: How do I know if my wheel needs to be aligned?

Answer: Check the spokes. If any are missing or broken then automatically it needs to be aligned. When riding, if the wheel rubs against brake and it feels as though you are slightly braking (if it doesn't spin freely.)

Module 4 Summary

- **Bicycle Maintenance:**
 - **Cost of service items should be spread among the savings group. No one will ever use a whole tube of grease or a whole can of oil. So, the group should buy it and share it among the members.**
 - Washing is important, but it can also damage the bicycle. Do not allow water to enter the wheel hubs or engine.
 - New bicycles should be ridden for two weeks without over-speeding or carrying large loads.
 - If you change the tyre and carrier, you can carry heavy loads (90-100 kilos) without problem.
- **Bicycle Warranty:**
 - At Cycle Connect, you have one week to report any manufacturing errors on the bicycle.
 - This warranty mainly covers the frame, engine, handlebars, etc. and does not include small parts like tube valve, reflectors, etc.
 - This warranty does not include misuse, overloading, or theft of the bicycle.
 - To report a manufacturing error, contact your Credit Officer and fill out a customer contact form.

Client Check-in

- **Ask Clients to share any economic, agricultural, or bicycle-based challenges they have faced in the past month. Record these challenges on chart paper.**

Module 5: Marketing & Growing A Customer Base

Materials needed for this Module:

- Chart Paper and Markers (**Group Engagement Activity #1**)

Marketing is identifying, anticipating and meeting the needs of customers in such a way as to make a profit for the business. Providing the right product, at the right price, through the right distribution channels (place) and supported by the most suitable promotional and advertising activity.

Importance of marketing

1. To increase sales of the product and therefore profitability
2. It maintains good reputation
3. It helps to keep you competitive in the market
4. It creates referrals

The 4 Ps of Marketing:

- **Place:** Make yourself available and visible. Think about where you are putting your business and products.
- **Price:** Price is key. Ride to market to sell goods at a better price than at farm gate price.
 - ***Farm Gate Price/Value:*** The farm gate price/value of a cultivated product in agriculture and aquaculture is the market value of a product minus the selling costs (transport costs, marketing costs).
- **Promotion:** Promote your business well. Treat customers with respect and maintain friendly relationships.
- **Products:** Make sure that the products you are selling are of high quality. Let customers know and show them that your products are high quality.

The Four Ps of Marketing

Place

Price

Promotion

Products

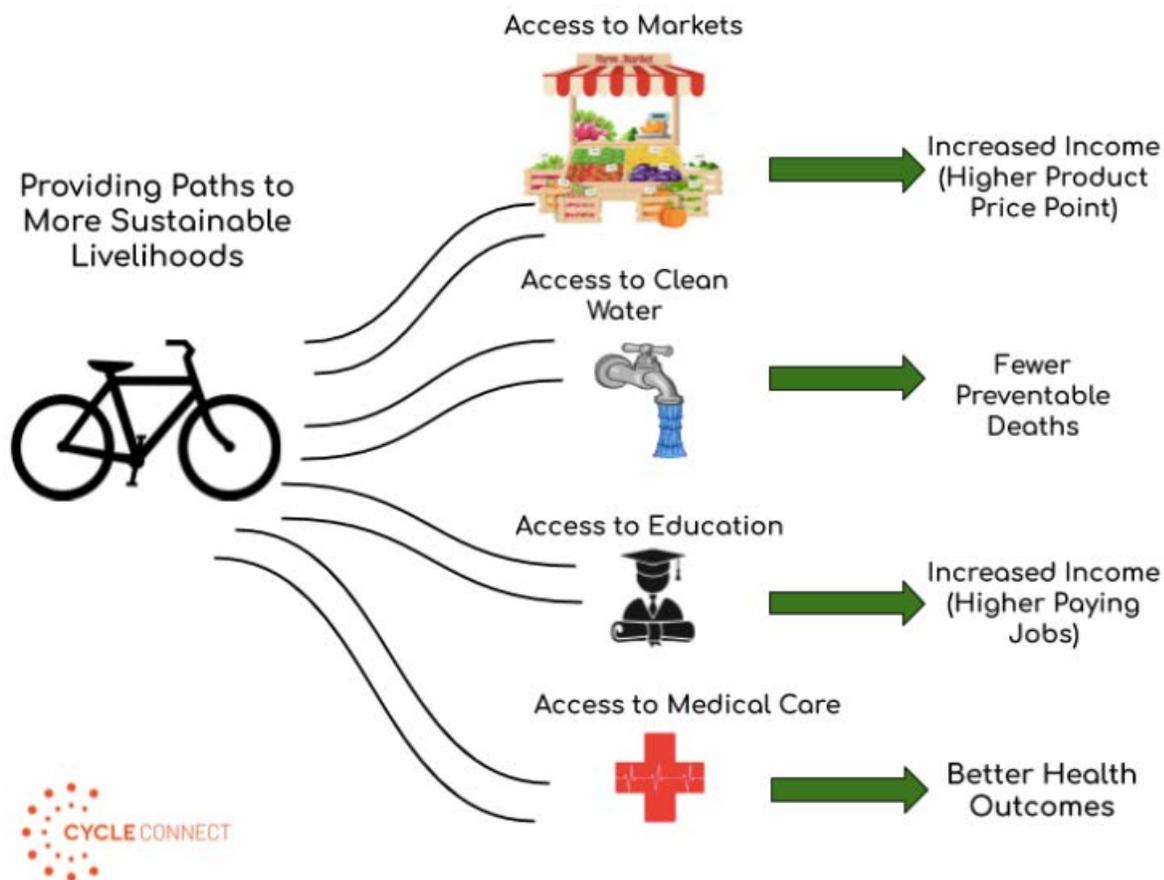


Group Engagement Activity #1:

- After writing out the 4 Ps of marketing on a piece of Chart Paper, ask group members to come up with one action that improves marketability of one's product and to write the action under the corresponding "P".

Marketing the Benefits of the Bicycle

- Clients can use their bicycle for boda boda
- Clients can load their bicycles and carry more goods to market
- Transportation:
 - Access to education—clients can carry their kids to school
 - Access to clean water—clients can load jerry cans
 - Access to markets
 - Access to medical facilities.
- Sharpening knives for market days
- No permit needed for bicycle (a permit is needed for motorcycles).
- Bicycle bell used to attract attention when selling items.



Group Engagement Activity #2: Act it Out

- Ask group members to take turns marketing the bicycle asset.
- Have group members identify why bicycle ownership is beneficial.
- Once the group member is finished marketing the bicycle, ask other group members to identify what actions were present that fit within the 4 Ps of marketing

Characteristics of Marketing (Advertising)

- Short, precise and to the point
- Advertise in the right Places
- Communicate the value of the product
- Easy to remember
- Easy to read
- Offer something of immediate value

- Avoid slang and abbreviations (Amazing prices at ABC bags. Miss these prices AYOR)
- Some clients use recorded megaphones to advertise

Challenges in Marketing

- Limited resources such as finance, time and marketing knowledge to carry out marketing activities
- Ever-changing consumer tastes and demand

Category	Marketing Questions
People	Who are my customers? What do they like? What do they need? Do they have money to buy my product?
Product/service	How do I get or make the product? Does it meet the customer's needs?
Place	Where will I start my business? Is it convenient for the customers?
Price	How much will it cost to get the product/service to the customers? How much will they pay? Will I make a profit?
Promotion	How will I let people know I am in business? How will I attract them to my business? How will they know my product is better than another?
Package	What package material will I use for my product? How attractive and strong will the material be?

Group Engagement Activity #3: Questions to Ask

- Ask group members to think through how they can make additional money.
- Ask a group member how many sacks of cassava they can carry on their head and then ask them how many they could carry with a bicycle. Calculate the difference and report how much additional money the group member makes when they use the bicycle.
- How long would it take them to move from their home to the market? With bicycle and without bicycle?

Growing a Customer Base

- **For every business to grow its number of customers, the owner has to carry out promotional activities and raise awareness for the business amongst the potential customer bases.**
- In order for your business to progress, you have to foster good relationships with customers.

Important Notes:

- Business promotion involves a set of materials or outreach activities created to draw buyers' attention to goods and services, mainly through point-of-sales activities.
- Ways of growing customer base through promotions:
 - Word of mouth
 - Advertise at social gatherings
 - Eye-catching products
 - Contact Sharing
- Examples of poor customer care:
 - Unwilling to listen to customer needs
 - Not acknowledging customers when they arrive
 - Prioritizing one customer over another who is buying more
- Examples of good customer care:
 - Being courteous
 - Listening to your customers
 - Being extra helpful to your customers
- Benefits of good customer service:

- Increases sales size
- Builds brand loyalty
- Builds customer base

Module 5 Summary

- **Marketing** is identifying, anticipating and meeting the needs of customers in such a way as to make a profit for the business. Providing the right product, at the right price, through the right distribution channels (place) and supported by the most suitable promotional and advertising activity.

The 4 Ps of Marketing:

- **Place:** Make yourself available and visible. Think about where you are putting your business and products.
- **Price:** Price is key. Ride to market to sell goods at a better price than at farm gate price.
 - **Farm Gate Price/Value:** The farm gate price/value of a cultivated product in agriculture and aquaculture is the market value of a product minus the selling costs (transport costs, marketing costs).
- **Promotion:** Promote your business well. Treat customers with respect and maintain friendly relationships.
- **Products:** Make sure that the products you are selling are of high quality. Let customers know and show them that your products are high quality.
- For every business to grow its number of customers, the owner has to carry out promotional activities and raise awareness for the business amongst the potential customer bases.

Client Check-in

- **Ask Clients to share any economic, agricultural, or bicycle-based challenges they have faced in the past month. Record these challenges on chart paper.**

Module 6: Basic Record-Keeping Template

Materials needed for this Module:

- Chart Paper and Markers (**Group Engagement Activity #1**)

Record/Bookkeeping is the process of recording data relating to business transaction in the books of account.

Importance of Bookkeeping

- It helps to manage stock and raw materials
- Helps in calculating and monitoring profit and loss
- Helps in planning for the future
- Helps in filing tax returns
- Helps to meet deadlines and timely repayment of loans
- Helps in cash-flow management
- Helps to evaluate the performance of the business
- Helps to forecast the future of the business and set objectives and goals for the business

Group Engagement Activity #1:

- Ask group members to share their methods of keeping records
- Record their responses on chart paper
- Stress to clients that personal methods that are specific to an individual are good ways of recordkeeping. Record keeping does not have to look like the examples in this module.

Consequences of Poor Record Keeping

- You will not know how much money you are earning from the business
- You will not know whether you are making profits or losses in the business
- Leads to mistrust and accusation between employees
- You will not know how much you owe the suppliers and customers owe the business
- Leads to failure of the business

Books and Records Kept by the Business

- **Sales Day Book:** a documented record of the key detailed information for each individual credit **sale** to a customer, including the following: Customer name. Invoice number. Invoice date.

- **Purchase ledger:** The purchase ledger contains the individual accounts of suppliers from whom the business has made purchases on credit.
- **Credit sales book:** It is a list and summary of invoices the business sends to its **credit** customers.
- **Payroll records:** Payroll records are documents that have anything to do with an employee's paycheck
- **Profit and loss Account:** a financial **statement** that summarizes the revenues, costs, and expenses incurred during a specified period, usually a fiscal quarter or year
- **Sales purchase return book:** is a prime entry **book** or a daybook which is used to record **purchase returns**.
- **Cash book:** a financial journal that contains all **cash** receipts and disbursements, including bank deposits and withdrawals.

Module 6 Summary

- **Record/Bookkeeping** is the process of recording data relating to business transaction in the books of account.
- Successful Record keeping is about establishing a system that works for you.
- A lack of proper record keeping can be detrimental to the health of a business or one's personal savings.

Client Check-in

Ask Clients to share any economic, agricultural, or bicycle-based challenges they have faced in the past month. Record these challenges on chart paper.

Module 7: Payoff, Return of Deposits (Credit Policy)

- When all loans in the group have been paid in full, the remaining balance of the group deposit can be returned to the group (divided equally among the members.)
- If the group prefers, the group can choose to apply their deposit total to the last outstanding payment left on the loan.
- Groups with different term loans (i.e. 6 and 10 months) cannot receive a partial refund of the group deposit for clients repaying early, as other members in the group may not fully repay their loan.
- Group members can elect to use the group deposit to make the final installment of their loan, if the entire group is in agreement.
- The Deposit Acknowledgement Forms and Deposit Refund Forms (stored in the G- Drive) are used to request and return the remaining balances of the group deposit to the group members.
- Group members each receive a Loan Completion & Payoff Certificate noting that they have paid their loan in full. The certificate is signed and stamped before being given to the client.

Appendix

Module 1: Loan Terms, Monitoring and Repayment Documentation (Credit Policy)

Loan Agreement (Terms & Conditions):

Repayment schedules (Group Copy):

Passbooks records:

Late Repayments (Fines and Penalties):

Personal Savings Goal Worksheet:

Establish your own savings goal. Think of where you want to be financially in a year and make a plan to reach that goal.

In _____ year(s), I want to have saved enough money to . . .

In order to meet my savings goal, I must save. . .

_____ Shillings per week

For

_____ Months

I will keep my savings . . .

- With my VSLA Group
- Via Mobile Money
- In a Traditional Bank account

Client Signature

Officer Signature

Module 5: The Four Ps of Marketing

The Four Ps of Marketing

Place

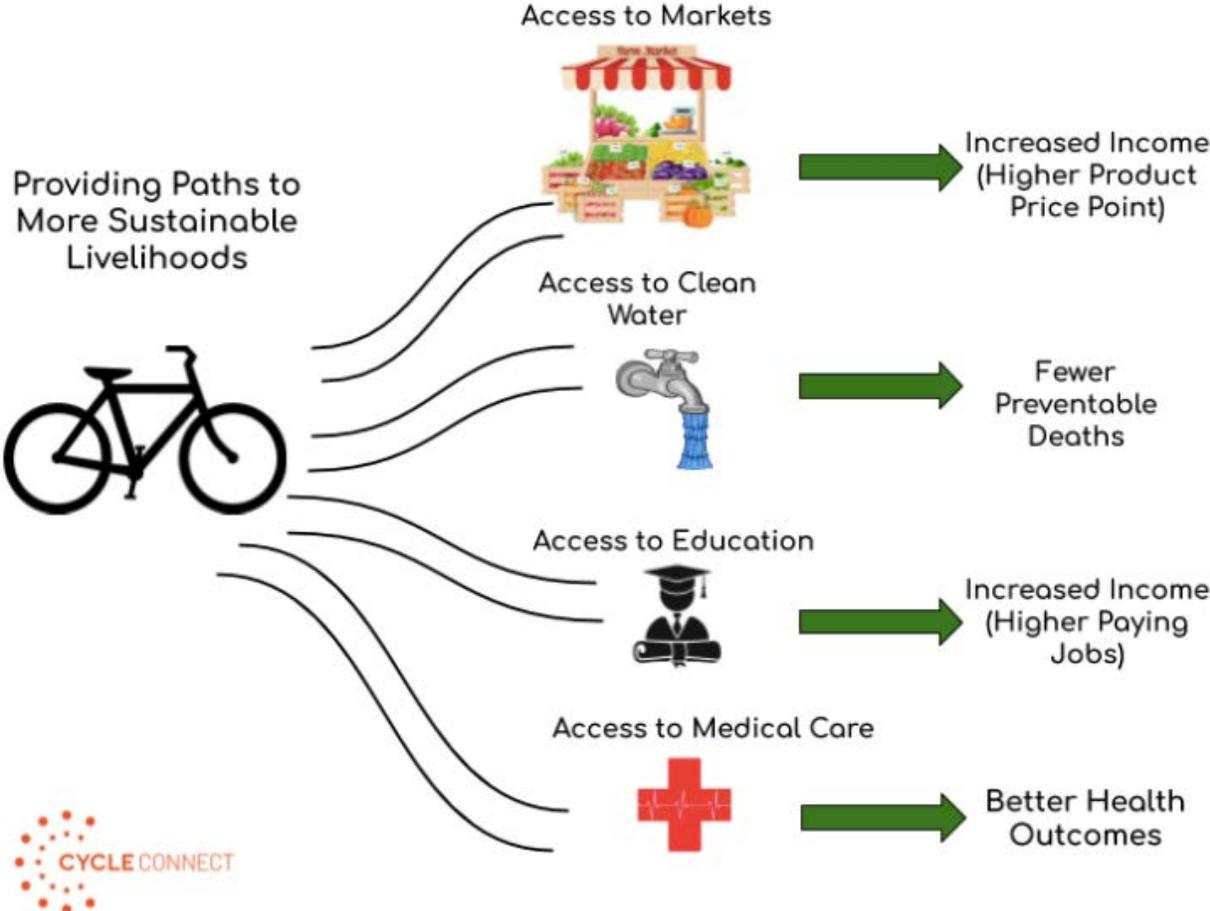
Price

Promotion

Products



Module 5: Marketing the Bicycle



Collateral Images

Neelam Bicycle:



Home:



Land:



Module 6: Sample Credit Sale Book

Sales on credit									
No	Date	Client	Product/s ervice	Unit value	Advance payment	Cash to be paid	Final payment due date	Actual date of final payment	Signature of customer
1	1/7/15	Ongera	3 stoves	40,000	80,000	40,000	2/8/15		
2	27/7/15	ojwiny	5 stoves	38,000	150,000	40,000	3/8/15		
3	01/8/15	Edot	2 stoves	40,000	70,000	10,000	15/8/15		

Module 6: Sample Cash Book

No	Date	Description	Cash in	Cash Out	Balance
1		Initial cash in	200,000		200,000
2		Sale of stove	40,000		240,000
3		Sales of 2 stoves	80,000		320,000
4		Shop rent		33000	287,000
5		Sale of 3 stoves	120,000		407,000
6		Purchase (5 stoves) at wholesale price of 20,000		100,000	307,000
7		Staff wages		80,000	227,000
8		Sale of 2 stoves	80,000		307,000
9		Paid water bill		30,000	227,000
		SUB-TOTAL for May 2009	520,000	243,000	227,000

Bicycle Diagnostic Quiz

The purpose of this diagnostic quiz is to determine how well you, a Cycle Connect officer, know the content found in the various bicycle training modules. This diagnostic will be used to assess how well Cycle Connect is delivering trainings to its loan officers and also to determine what information is being properly relayed from loan officers to clients. Do not consult outside sources while taking this diagnostic. We want to better understand what YOU know. This is a low stress assessment of your asset knowledge. Your performance on this diagnostic will not impact your employment status or threaten your standing with Cycle Connect; therefore, we ask that you answer these question honestly.

* Required

1. Email address *

2. Name *

3. Email *

General Cycle Connect Knowledge

This section of the diagnostic will test your understanding of Cycle Connect's mission, future aspirations, and values.

4. What is Cycle Connect's Mission? *

1 point

5. What Assets are in Cycle Connect's Current Portfolio? *

1 point

6. What are Cycle Connect's Values? *

0 points

7. _____ should not be a barrier to _____ and _____. *

0 points

Mark only one oval.

- Money should not be a barrier to access and opportunity.
- Loans should not be a barrier to access and opportunity.
- Distance should not be a barrier to access and opportunity.
- Bicycles should not be a barrier to access and opportunity.

8. How many Clients does Cycle Connect want to reach by 2035? *

0 points

Mark only one oval.

- 5,000
- 50,000
- 100,000
- 1,000,000

Module 1 Questions

This section of the diagnostic will test your understanding of Module 1 of the Bicycle In Field Training Guide.

9. True Or False: Attendance for the Cycle Connect Loan policies module is mandatory for all. *

0 points

Mark only one oval.

- True
- False

10. During what modules does bicycle distribution usually happen? Select all that apply. * 0 points

Check all that apply.

- Module 1
- Module 2
- Module 3
- Module 4
- Module 5
- Module 6
- Module 7

11. Which of the following are characteristics of a successful VSLA Group? Select all that apply. * 0 points

Check all that apply.

- Having a strong constitution and all members (group leaders inclusive) following it.
- Groups that keep time, and have fines for: being late, talking during the meeting, etc.
- Groups must be registered at the district and/or sub-county headquarters.
- Strong group leaders that follow through on rules and regulations of groups. It is not good enough to simply have rules in the constitution. Rules should be consistently followed and enforced.
- Groups should have trustworthy leaders that have excellent record keeping skills, and mobile phones for easy communication with other group members, Cycle Connect, and local government officials (LC1s).

Module 2 Questions

This section of the diagnostic will test your understanding of Module 2 of the Bicycle In Field Training Guide.

12. What is Saving? * 0 points

Mark only one oval.

- A plan for how your available money is allocated.
- Setting aside part of what you are earning to use at a future point.
- The purchasing of a good that will help you earn money or a good that may be more valuable to you in the future than it is at the time of purchase.

13. True or False: There is no guarantee that investments will increase in value? * 0 points

Mark only one oval.

True

False

14. What is a budget killer? * 0 points

Module 3 Questions

This section of the diagnostic will test your understanding of Module 3 of the Bicycle In Field Training Guide.

15. True or False: A loan is borrowing money for a good and not paying it back. * 0 points

Mark only one oval.

True

False

60

16. Which of the following statements describes a loan deposit? Select all that apply. * 0 points

Check all that apply.

a sum payable as a first installment on the purchase of something or as a pledge for a contract, the balance being payable later.

Money a borrower puts towards the purchase of a good.

a piece of property or an asset that a borrower pledges in order to secure a loan.

protects lenders in case a borrower defaults

money kept as security in case buyer defaults

17. For a Cycle Connect loan, what serves as an individual or group's collateral? * 0 points

18. For a Cycle Connect Group loan, who serves as the guarantor for the loan? *

0 points

Mark only one oval.

- A spouse
- a neighbor
- the group executives
- another group member (non-executive)

19. What fees are due at the signing of a loan agreement? Select all that apply. *

0 points

Mark only one oval.

- Deposit
- Application/Admin Fees
- Down Payment
- Interest
- Marketing Fees

20. True or False: Cycle Connect is collecting payment from individual group members, not from the group as a whole. *

0 points

Mark only one oval.

- True
- False

21. If a group misses a payment, a ____% fee is charged on the amount still due. The group is responsible for covering the interest and the outstanding balance. * 0 points

Mark only one oval.

- 4%
- 3%
- 1%
- 2%
- 5%

22. Which of the following are ways that Cycle Connect is different from a traditional lender? Select all that apply. * 0 points

Check all that apply.

- Cycle Connect provides asset-financing which is an easier type of loan than most others. Bicycles are delivered locally, instead of purchased in town.
- Cycle Connect ensures our clients make an investment which can help them generate more income by getting more goods to market, saving money on transport to schools or clinics, and allowing them to reach markets that are farther away.
- Cycle Connect allows their clients to use the asset before it is fully paid for.
- Cycle Connect charges no loan fees

Module 4 Questions

This section of the diagnostic will test your understanding of Module 4 of the Bicycle In Field Training Guide.

23. True or False: The costs for general bicycle service items like a tube or grease or a can of oil should be spread among the savings group. * 0 points

Mark only one oval.

- True
- False

24. True or False: Washing a Bicycle can damage it. *

0 points

Mark only one oval.

True

False

25. How long does a client have to report any manufacturing errors on the bicycle? *

0 points

Mark only one oval.

2 weeks

1 month

1 week

3 weeks

26. Why should a client change the tyres and the carrier on their bicycle? *

0 points

Module 5 Questions

This section of the diagnostic will test your understanding of Module 5 of the Bicycle In Field Training Guide.

27. Which of the following are included in the 4 Ps of Marketing? *

0 points

Mark only one oval.

Price

Planning

Promotion

Purpose

Place

Products

Payment

28. True or False; Marketing is identifying, anticipating and meeting the needs of customers in such a way as to make a profit for the business. Providing the right product, at the right price, through the right distribution channels (place) and supported by the most suitable promotional and advertising activity. * 0 points

Mark only one oval.

True

False

29. Which of the following are benefits of the bicycle asset? Select all that apply. * 0 points

Check all that apply.

Transportation

Can be used for Boda Boda

Carrying more goods to the market

Requires no permit

Requires no maintenance

30. List three ways that a client can grow their customer base. * 0 points

Module 6 Questions

This section of the diagnostic will test your understanding of Module 6 of the Bicycle In Field Training Guide.

31. True or False: Record/Bookkeeping is the process of recording data relating to business transaction in the books of account. * 0 points

Mark only one oval.

True

False

32. Which of the following are benefits of proper bookkeeping? Select all that apply. * 0 points

Check all that apply.

- It helps to manage stock and raw materials
- Helps in calculating and monitoring profit and loss
- Helps in planning for the future
- Helps to meet deadlines and timely repayment of loans
- Helps in cash-flow management
- Helps to evaluate the performance of the business
- Helps to forecast the future of the business and set objectives and goals for the business

Module 7 Questions

This section of the diagnostic will test your understanding of Module 7 of the Bicycle In Field Training Guide.

33. Select all that apply: When all loans in the group have been paid in full, the remaining balance of the group deposit can be. . . * 0 points

Check all that apply.

- returned to the group (divided equally among the members.)
- Applied to the last outstanding payment left on the loan
- retained by Cycle Connect

34. True or False: Groups with different term loans (i.e. 6 and 10 months) cannot receive a partial refund of the group deposit for clients repaying early, as other members in the group may not fully repay their loan. * 0 points

Mark only one oval.

- True
- False

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