



GOOD
STEWARD
INTERNATIONAL

GOOD STEWARD
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WESTERN HEMISPHERE SERIES

SMALL BUSINESS HANDBOOK

EXCERPT



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Using This Manual Effectively

This manual is designed to be used in group settings and to encourage dialogue. Too often teaching, like rain on a hard-packed field, just runs off the surface, never connecting with the listeners. If the message does not sink in, our efforts are wasted. To help the participants engage with the material, each lesson is divided into the following sections:

1. **The Biblical principle.** This section addresses what the Bible says about the topic. It can either be read or used as an outline by the instructor, and the Scripture verses given can be read and discussed if time allows. The goal is to go to the Scriptures as preparation for discussing the challenge presented later in the session, reinforcing the concept that the Bible has answers to our everyday questions.
2. **Understanding the Principle.** In adult group settings, distractions and wandering minds often interfere with people's focus on the subject. These basic questions are intended to stimulate discussion about the preceding section and ensure that the group has captured the principle at hand.
3. **Life with John and Jane.** Following the teaching on the Biblical principle, a short real-life story presents a challenge or problem that relates to the principle. In some of these stories the answer is not obvious, and there may be more than one right conclusion. They are written this way to require participants to think. Applying Biblical principles to the situations in the sample stories will help prepare the group to use the same process when they face similar challenges at home. The stories are not in chronological order and that is why the ages of the children and other details can change from one lesson to the next.
4. **Applying the Principle.** After the story has been read, time should be given for group discussion. It is critical that the instructor provide time for this. It is important that the group be free to consider, discuss, or even debate potential answers. Occasional guidance may be appropriate. For example, if participants seem to be agreeing on a questionable course of action, the instructor may need to re-frame the question in light of the preceding Biblical principle.
5. **Home Discussion Assignment.** You will find this section at the end of some lessons. It contains questions intended to be discussed by group members at home with their families. Group members should be encouraged to share the results of their home discussions at future meetings, and time should be provided for this at each meeting. If instructors find the Home Discussion Assignments helpful, they are invited to create questions for other lessons as well.

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Introduction

Starting a Business

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1 | God Is

The fool hath said in his heart, There is no God. They are corrupt, they have done abominable works, there is none that doeth good (Psalm 14:1).

Every man and woman on this earth worships something. One definition of *worship* is *to regard with great or extravagant respect, honor, or devotion*. Throughout the history of humankind, humans have worshiped the sun, the moon, mountains, animals, and even trees and plants. They have bowed down to marble statues and stone monuments. Men have taken trees and carved out figures that looked like animals or other creatures, then bowed down and worshiped what they have made.¹

Some people worship money, power, or a political party. Some people worship music or pleasure, while others worship their family lineage.

Humans even worship other humans—people with the same essential attributes, struggles, and illnesses as anyone else—men or women who eventually die just like those who worshiped them. Many societies have declared their king or emperor immortal and worthy of worship.² Some people worship athletes. These fans spend amazing amounts of time watching a ball being kicked around, traveling to distant games, and debating the abilities of their favorite sports idols. Others like to read and think about movie stars—people famous for their ability to pretend to be someone else.

Regardless who we are, something within us wants to admire something greater than ourselves. We all have

something driving us to worship.

Why are we so incurably religious? Why do we have such a deep inner need to worship something that we bow to lifeless, powerless objects? Why do we idolize other people simply because of an unusual ability they have? The answer is simple and takes only two words: God is!

God has made us with an inner desire to worship. We sense this truth as we walk through the woods and hear the birds. We feel it as we stand on the shore and look at the vast expanse of ocean. We know it as we gaze upward at the moon and stars.³ Everything around us shouts this truth—God is!

Something inside us wells up and wants to speak as we view the stunning beauty of a sunrise. Our hearts want to respond when we hear the crashing thunder in a storm. Something built into us wants to cry out in awe to a greater power when we see the perfection of a newborn baby.

But perhaps greater than all these is an inner consciousness of God that He has created within us. We sense it in the stillness of the night as we lie in bed. An inner sense tells us there is more to life than what we can observe with our natural senses. Though we can't see or hear God, we know He is there. We can try to ignore, suppress, or even argue against that knowledge, but we still know. God is!

In the beginning God created the heaven and the earth (Genesis 1:1).

³ Psalm 8:1–4

¹ Isaiah 40:18–20

² Acts 12:22

Business Introduction 1

Jane lived in a small village. She was one of twelve children whose parents could never provide quite enough for all of them. The children were familiar with hunger. Many of their meals consisted of a single piece of bread.

Jane's parents were unbelievers, so she grew up with only a vague concept of God. She knew nothing about prayer, but she longed to do something to help her family. Their situation looked desperate, and she didn't know which way to turn. The families around them were also struggling, and some were even worse off than Jane's family. There were not enough jobs for those who wanted work, and Jane saw many men with no work sitting under shade trees, waiting for someone to help them.

Like her neighbors, Jane was willing to work but didn't know what to do. At a young age she tried to find ways to help her parents provide for the family. She dreamed of discovering a wealthy visitor or maybe a government program that would give them a large amount of cash or even send them money each month. Then, Jane thought, their problems would be over.

One day Jane went to a Christian friend for counsel. This wise woman gave Jane some good advice; she encouraged Jane to ask God for help, and also to watch for small opportunities God might send her way rather than expecting a handout.

Soon after that, Jane heard about a group of women in her village who were helping each other save money. These women met every Saturday, and each contributed a little of her own money into a fund. After a while, each of them could borrow money from their collective savings and start a business. Jane was thrilled! Perhaps this was one of those small opportunities her friend had encouraged her to watch for!

When she inquired about the program, she learned

that she would need to save one dollar a week for several months, and then the amount of her first loan would be only about fifty dollars. Jane was disappointed and discouraged. She could not see how anyone could start a business with so small a loan, and she would need to save money for a long time before receiving anything.

In spite of Jane's discouragement, she kept remembering her friend's advice: "Don't forget that God can work in small ways." She decided to step out in faith and start saving with these women. After five months of faithfully saving money and meeting with the savings group, she finally qualified for a small loan.

Jane had given some thought to what might sell well in her neighborhood. After receiving her first loan, she purchased a variety of household supplies and food. She set up a small table to display her goods and waited anxiously to see if people would buy anything. As Jane began to sell her products, she used the profits to purchase more inventory and repay her loan. Gradually her business grew.

Jane faithfully paid back her first loan, and as others in her savings group saw her dependability, they agreed to give her a larger loan. With this she again expanded her inventory and bought more tables to display all her goods. Jane carefully recorded her transactions, making sure to note which products sold well and always watching for merchandise she could add to increase sales.

Jane finally decided she needed something better than just tables along the street for her business, so she began to slowly purchase building materials. Whenever possible, she would take a little of her business profit and purchase a concrete block, a piece of reinforcement steel, or a bag of cement. Block by block and bag by bag, she accumulated enough material to build a small store beside her parents' home.

Jane's business kept growing, and after marrying John, she moved her business to their small home. Today Jane feels extremely grateful for what the advice of her Christian friend and the support of the savings group has helped her achieve. John and Jane use the profit from their store to buy food and supplies, help pay their children's school fees, and contribute to their local church. They also have a vision for the future. They would like to purchase a freezer for their store, and eventually to build a larger house for their family.

They now have five children, and the store provides a place for their children to learn how to work. Their oldest child, Matthew, enjoys helping his father raise onions and peppers on the family's plot of land behind the village. Mary, their oldest daughter, works with Jane in their small store. The three younger children help around the house and in the store when they are needed.

Neither John nor Jane had Christian parents. Growing up, they were never taught the blessing of a pure thought life, the peace of an honest lifestyle, or the joy of a clear conscience. Early in their lives they learned to lie, steal, and take advantage of others. They were involved in immorality before they were married.

However, after a few years of marriage, John and Jane met the Lord Jesus. They found forgiveness for their past sin and discovered the joy of serving the Lord. They began to see how much better families and communities work when love, trust, and mutual respect are nurtured. Now they desperately want to teach their children a better way. They want to spare them the shame and regret they have reaped from their former lives.

Today John and Jane are thankful for many things. They are thankful that since they began following Jesus their life has purpose and joy. They are thankful for their children and the opportunity to teach them Biblical truths. And they are thankful for the income from their store and how God has rewarded Jane's initial faithfulness in little things.

Jane's Secrets of Success

Listen closely as we review some reasons Jane was successful. As you consider these points, think about businesses that might work well in your area.

- 1. Jane examined the needs in her community** and chose to sell items she knew would sell well. She also watched for ways to expand her business. She observed a need in her community for certain products and used this knowledge to decide which products to sell. She was willing to change products when she saw a change in demand. Consider your potential business. Is there a need in your community for the products or services you want to provide?
- 2. Jane's business was a good fit for a savings/loan program.** Her business provided continual daily income that enabled her to faithfully make her payments. Are there businesses you could start in your area that would provide enough income to make a profit while keeping your inventory replenished?
- 3. Jane was always planning for the future.** She was conscientious in making each loan payment, knowing she would not receive another loan if she was not faithful. She also began slowly purchasing building materials for her new store *before* she needed the store. Are you willing to make small steps toward a goal, or do you think you need to have a large amount at one time? Are you willing to save now for something you won't have until later?
- 4. Jane held her plans up before God.** She was willing to ask advice from other godly people in her community and to heed their good counsel.

May this story of Jane inspire you and help you see how a small savings/lending program accompanied by hard work and good planning could bless your family. Starting small and being faithful with

what you receive, along with careful planning and diligence, will be of tremendous value in your business. May the Lord bless you as you continue to plan.

- EXCERPT -

2 | Finding God

But without faith it is impossible to please him: for he that cometh to God must believe that he is, and that he is a rewarder of them that diligently seek him (Hebrews 11:6).

When we realize that God exists, a strong desire rises within us to find Him. As we see the beauty and majesty of creation, we are enthralled with the thought of seeing the wonderful Creator behind it all. But where is He? We can't hear, see, or touch Him. Can He be found? And if He can, how can we find Him?

Children sometimes play a game called hide and seek. In this game, one or more children hide, while another tries to find them. In hopes of getting a clue to the location of an especially well-hidden player, the seeker may yell out, "Make a noise." Sometimes the child hiding will make a small sound to hint at his location, for ultimately, he wants to be found.

Does it ever seem that God is hiding? Because we can't see Him with our eyes, sometimes we doubt. For centuries, humans have cried out to God, "Make a noise, God! Show us where you are!"

But is God really hiding,¹ or is it we who are not paying attention to His attempts to communicate with us? The Bible tells us that God daily reveals Himself to us; the heavens declare the glory of God.² The moon and stars tell us that God is constant, dependable, infinite, and a lover

of beauty. From the mighty animals of the forest to the tiny insects to the beauty of a flower, all creation testifies of God's attributes.³

God could have stopped with revealing Himself in creation, and that would have been enough for us to know His power, but God has chosen to speak to us in yet another way—His written Word.⁴ The Bible reveals more about God, telling us how He made the earth, what He expected of us, and how we have sinned against Him. It tells how God has tried to restore the relationship He once had with us. God wants to be more to us than an impersonal deity; He wants a relationship with us. God wants to be our Friend.

The Bible reveals something else about God: not only will He reward and reveal Himself to those who diligently seek Him but He also is seeking us even while we are seeking Him!⁵ God really does want us to find Him. In your search for God, take courage. If you are diligently and passionately searching for God with a true heart, you will find Him!⁶

And ye shall seek me, and find me, when ye shall search for me with all your heart (Jeremiah 29:13).

³ Romans 1:20

⁴ Psalm 119 offers an excellent study of the power God's written Word can have in our lives.

⁵ Luke 19:10

⁶ 1 Chronicles 28:9

¹ Many godly men of the past have longed for God to respond with an audible voice. At times He has done this, but many times He chooses not to (Job 9:32–33; Psalm 10:1).

² Psalm 19:1–4

Business Introduction 2

In the first lesson we looked at the story of a young woman named Jane, who used savings and a very small loan to build a business that eventually helped support her family. Then we looked at the reasons her business succeeded. Each of you was then asked to compare the business you have in mind with Jane's business to see if your business could succeed as hers did. The story of Jane was intended to show you what savings or a small loan can do for you if you use them properly.

Perhaps you think that what you need most to make your business thrive is money. This is probably not the case. Most new businesses fail not because they lacked enough money to get started, but because they were poorly managed. Starting a business is much easier than keeping it profitable over the long haul.

In this lesson we want to look briefly at your practices that will greatly affect the success of your business. If you are willing to work diligently and apply these lessons to your business, you can be successful and provide long-term income for your family. Consider how the following practices apply to your business:

A Business Plan

Creating a good business plan is extremely important but commonly overlooked. We will briefly look at the importance of a business plan, and then discuss it more fully in a later lesson. Many businesses fail because the owners gave too little thought to how the business would operate, and to whether or not anyone needed the products or services offered. The purpose of a business plan is to write down all the important facts regarding the business and to make sure the business will be profitable.

Of course, a business plan alone cannot make a business successful. Many businesses start out with a good business plan, but then the owner fails to follow the plan after the business is started. Imagine what would have happened to Jane's business if she had received the loan for \$50, but used most of the money to buy things she needed for her family. The supplies she purchased with the \$50 would have relieved her immediate need, but next month she would have been back where she started. She would not have had what she needed for her business to succeed, and today her family would still be struggling. Merely planning is not enough. Following your business plan is just as important as making it.

Diligent Recordkeeping

Keeping accurate records of your business transactions is tremendously important. If you visit various businesses, one truth will become evident: a business rarely succeeds without some type of recordkeeping. Businesses that give diligence to keeping good records usually do well. There is a reason for this. A business owner who keeps an eye on his income and expenses and takes the time to record the information usually knows which products are profitable and why.

Keeping accurate records does not need to be complicated or take a lot of your time. Many businesses have a simple page in a notebook where each day's total sales and expenses are recorded every evening. Other systems are more detailed, and each transaction is noted as it occurs. Later lessons will help you create a system that fits your particular business.

Faithfulness to Obligations

Stop for a moment and consider the business owners in your community. Do you enjoy doing business with all of them? If your town is like most communities, there are business owners who are known for their integrity and others who are known for their devious dealings. A community soon learns who is faithful to his agreements and who is not.

Being faithful to commitments is extremely important, especially if you are known in the community as a Christian. The success of your business also depends on your faithfulness to obligations. If your customers learn that you are committed to fulfilling your promises even when it costs you money, they will come back again and again.

This same principle is true in your interaction with the vendors from whom you purchase your products. Building a good relationship with vendors can be very beneficial to your business. If your vendors know they can trust you, they can help you in many ways. Many times vendors can give you tips on how to advertise effectively or to display your products better. Vendors can notify you of new products or services that could be added to your business. But vendors are much more inclined to help businesses that are known for consistently paying on time and following through with obligations.

Caring About Customers

Perhaps this point should have been listed first. The customer is the lifeblood of a business. You can have the finest products, the lowest prices, and the best service, but if you do not have customers, your business will fail. Obviously, it is important for your customers to be satisfied. If customers are not happy, they will go elsewhere.

How can you ensure that your customers will return to your business? Think about the places you purchase your products. Are there some businesses you especially enjoy patronizing? Why? Perhaps

the owner always remembers your name or asks about your family. Maybe the items are always displayed attractively, or you always feel that you are getting a good bargain there. Maybe you notice that the people there are always interested in what you need and intent on finding a solution to your problem. Whatever the reason, you like going there because of how it makes you feel.

If you have a business, think for a moment about your customers. How do they feel when they buy from you? Do you have one of those businesses people like to patronize? It is worth your time to think about this. How customers feel when they leave your business will have a lot to do with whether or not they return and, ultimately, whether or not your business succeeds.

Group Discussion

1. Discuss the need to think through your business and write out a business plan. Why is this important?
2. Discuss businesses you enjoy working with. What makes you feel good and causes you to want to buy from them again?
3. Are you known in your community for being dependable? Do you have a reputation for completing what you start? This kind of reputation will attract customers if you are starting a new business.

- EXCERPT -

3 | God Cares and He Came

For God so loved the world, that he gave his only begotten Son, that whosoever believeth in him should not perish, but have everlasting life (John 3:16).

We have looked at the overwhelming evidence all around us which shows us that God exists. We have talked about our search for God, and we have shown how God wants us to find Him. One important way God reveals Himself is through His written Word, which we call the Bible. The Bible has been miraculously preserved for us to read today,¹ and it records God's pursuit of mankind and the many ways He has encountered people in the past.²

In the Bible we learn about God's desire for us to live holy lives—lives set apart for obedience to Him.³ We also learn that we are selfish creatures who have often disobeyed to God.⁴ God made us and knows what is best for us, and He has given us laws to help us live happy lives. However, we have rebelled against God, thinking we understand life better than He does.

God knows it is best when everyone in a village is honest, yet each of us has sinned against God by telling lies. It is best when each person in a community shares with his neighbor, yet each of us has been selfish at times, refusing to share what we have with others.

Each time we knew what was right but chose to do wrong, we have been disobedient and rebelled against

the God who made us! The Bible reveals that God hates disobedience. Our rebellion against God has made us His enemies!

We are just little people. We are not very strong, and we don't live long; a sickness or an accident can end our lives in a moment. Consider how ridiculous it is for people so weak to rebel against a God who created everything simply by speaking! Yet all of us have done this. No wonder God is angry with humans who continually ignore His voice!

However, the Bible brings us the beautiful news that God has provided a way for us to be brought back to Him. The Bible tells us that God has made tremendous efforts to restore a relationship with us.⁵ Amazing! Why would He do this? Why would a God who is perfect even bother with struggling people like us? The answer is simple—God loves us!

The Bible tells us that God not only cares about us, but also came to help us. Humans in their disobedience had a distorted view of God, so God became human for a while to show us what He is like and to provide a way back to Himself. That is the story of Jesus Christ.⁶ It is the story of a God who loved each of us with such intensity that He was willing to send His Son down to earth to live among people, die a terrible death on the cross, and rise again—all because He loves us and wants to live within us. Amazing love! God cares about us and came to save us, to set us free from sin so we can live holy lives!

And that every tongue should confess that Jesus Christ is Lord, to the glory of God the Father (Philippians 2:11).

¹ 2 Peter 1:21

² Hebrews 1:1–2

³ Hebrews 12:14

⁴ Romans 3:23

⁵ Ephesians 2:4–7

⁶ Galatians 1:3–5

Business Introduction 3

Usually when we prepare to take a trip, we think it through before leaving home. We think about the route; perhaps there is a stream to ford or rough roads to traverse. We consider the weather; if it is raining hard, parts of the road may be muddy or flooded. If we know a bad storm is coming, we may decide to wait a day or two. This process of thinking through a trip is a habit, something we do automatically.

Strange as it may seem, many people do more planning for a trip than they do for a new business. Just as there are many factors that determine whether a trip will succeed, there are also many matters to consider before beginning a business. Yet many people start a new business without thinking it through.

In this lesson, we want to discuss how to properly prepare for starting or expanding a business. The most important part of this process is creating a *business plan*.

For the following section, each of you should have a paper entitled “Business Plan.” The questions on this paper are designed to help you think through the business you are starting or expanding. Thinking about each question and writing down your answer takes time, but this process is very important if you want your business to be successful.

Go through the following questions, consider your proposed business, and see how each question applies to it. After thinking about the question, fill in the appropriate answer on your Business Plan.

1. What are your business goals?

Why do you want to pursue this business? What do you hope to achieve? Is your primary goal to provide food for your family or to send your children to school? How do you hope to achieve your goals? There is no right or wrong way to answer this ques-

tion; it is designed to help you to think through your goals and how you hope to reach them.

In the space provided, write down your business goals.

2. Describe your experience with this type of business.

How much experience do you have in this type of business? If you want to start a small store, have you sold things before? If you want to repair bicycles, how many bicycles have you worked on in the past? If you want to sell clothing, have you ever helped someone else sell clothing?

In the space provided, tell about your past experience in the business you are proposing. If you do not have much experience in this business, explain how you are going to overcome this problem.

3. Is there a need for this business?

Anyone who starts a business needs to ask this often-overlooked question: does my community need the products or service I plan to provide? Think about your community. Are others already in the same business you are proposing? If so, is there truly a need for your business? Can you provide something others are not providing?

Look at this question closely. If you are not sure whether this business is needed, ask others in your community. Take time to make sure your community needs the goods or services you plan to provide.

4. Write out your “Business Plan.”

In the first lesson, we looked at a young girl who started a very small business with a \$50 loan. If she had written out her business plan, it might have looked like this:

Jane's Business Plan

If I am given a loan for \$50, I plan to use half of it to purchase food to sell and half of it to buy household items to sell. The closest place a broom can be purchased is a mile away. There are several types of food that are hard to find in our community. I plan to begin by selling brooms, several spices needed for cooking, and rice. I have a friend who will let me sell beside her along a busy street, so I should have plenty of customers.

There are several kinds of cooking pans I will not be able to sell now, but I would like to have them in my store eventually.

Using the Profit & Loss sheet, I can show enough income to replenish my inventory, faithfully pay back my loan, and provide a small profit to help support my family.

Notice how simple Jane's business plan is. Jane simply wrote out on paper how she intended for her business to work. She told how she would use her loan money and why she had chosen to sell brooms and food. She wrote about the location of her proposed business and the good potential for many customers to see her products. She told what her long-term business plans are, and used the Profit & Loss Sheet to show how she plans to reach her goals.

Look closely at Jane's business plan and think through your own proposed business. Then write out your plan for your business. You may want to write it out first on another piece of paper, so you can think it through and make any revisions before preparing your final business plan.

5. Describe the recordkeeping system you plan to use.

Every business needs some type of recordkeeping system. Later you will receive more teaching on this topic, but for now, think about how you will

start. In our example, Jane might plan her recordkeeping system like this:

I have never kept records for a business in the past, but I am planning to start out with a simple system. I will purchase a small paper tablet to write down all of my expenses and income. At the end of each day, I will write down any items I purchased for my business that day. I will write it on a page labeled, "Expenses". I plan to have another page labeled "Income". Here, at the end of each day, I will write down everything I have sold.

Think about your business and how you plan to keep records. In the space provided, write down the method you plan to use. If you already have a system you are comfortable using, describe it.

Group Discussion

1. Do you understand how to make a business plan?
2. Discuss the importance of using funds correctly and the temptation of using the money for other pressing needs.
3. Do you have a simple plan to begin recordkeeping?

Business Plan

1. What are your business goals?

2. Describe your experience in this type of business.

3. Is there a need for this business?

- EXCERPT -

4. Write out your business plan.

List the items you would purchase with their cost.

Description	Cost

- EXCERPT -

5. Describe the recordkeeping system you plan to use.

- EXCERPT -

4 | What Shall We Do?

Read Acts 2:37–47

Can you imagine the fear that must have filled those who listened to Peter in Acts 2, as they suddenly realized they had killed their Savior? God had been among them! Jesus had been sent by God to help them, and they had killed Him. What punishment would God pour out on them? Those men were guilty before God, and they knew it. They knew God had every right to destroy them. In anguish of heart, they cried out, “Men and brethren, what shall we do?” (v. 38).

Today we are no different. Many times we have known what was right, but chosen to do wrong. Every one of us has sinned before a holy, sovereign God. He has every right to punish each of us.¹ The answer Peter gave the guilty crowd in Acts 2:38 is important for us to understand today.

Peter gave words of hope that day. He explained to his listeners the path to salvation. These men first had to believe that Jesus was who He had said He was—the Son of God who had come to die for the sins of every human.² This is the first step to salvation: we must believe that Jesus Christ is the Son of God.

After these men believed the message, they needed to *repent*. This is still true today; we must repent of our sin against God, openly confess that we believe in Jesus Christ, and seek the salvation provided through His sacrifice on the cross.³ To repent is not only to feel sorry for your past sins, but also to turn from the ways of the world around us and begin walking toward God instead.

¹ We are guilty before God: Romans 3:10–12; Romans 3:23; Psalm 14:1–3

² We must believe: Romans 10:9–10; Acts 8:37; Mark 16:16

³ We must repent: Mark 6:12; Acts 3:19; Acts 17:30; Acts 26:20

Next, Peter said that a man who would be saved must be *baptized*. Baptism is God’s way for us to proclaim to the world around us that though we were the servants of Satan, now we are the servants of Jesus Christ. We are confessing that Jesus Christ is our Lord, and we are willing to totally surrender our life to Him. We are saying we are willing to follow Jesus anywhere and obey His teachings regardless of the price. This is why Jesus said a person should count the cost before following Him.⁴ Following Jesus requires complete surrender.

God does not require those who come to Him to have great knowledge, ability, or wealth. He is looking for people who will confess they are sinners, repent and turn from their sin, and declare their faith in Jesus by being baptized.⁵ Peter said that when a person does this, God gives him a gift: not only will his sins be forgiven, but God will place His Spirit within this person.⁶ What a tremendous promise! God has promised to live inside us! He will be there with us to empower us to please Him with our lives. When we are tempted to go back into sin, God will be with us and provide a way of escape.⁷

God also wants us to unite with and submit to a body of faithful believers who are also trying to follow the teachings of Jesus as closely as possible (Acts 2:41–47).

For what shall it profit a man, if he shall gain the whole world, and lose his own soul? (Mark 8:36).

⁴ We must totally surrender: Matthew 10:37–39; Matthew 16:24–25; Luke 14:25–33

⁵ We must be baptized: Mark 16:16; Acts 2:38; Acts 8:26–39; Acts 22:16

⁶ The promise of the Holy Spirit: Acts 2:38; 1 Corinthians 6:19; Galatians 4:6

⁷ Ongoing work of the Holy Spirit: 1 Corinthians 10:13

Business Introduction 4

In the first three lessons, we looked at some basic reasons businesses succeed or fail. In the last lesson, we looked at the importance of having a good business plan, and by now you should have written your own business plan. In this lesson, we want to examine the value of building relationships within your business community and working as a team.

Every business owner has decisions to make and problems to overcome. If those in your group or community can address those individual difficulties as a united team, your individual businesses will be much more successful. Networking with other small business owners can be a great asset to your business, but this can only happen if you are willing to work harmoniously with them and help them through their difficulties.

Following are two of the benefits of working with other business owners in your group or community:

- **Combined purchasing power.** Often products can be purchased less expensively in larger quantities. If you combine orders with others in your community and place one large order, everyone benefits, including your customers.
- **Shared transportation costs.** Some small business owners have found ways to work together to transport their products more efficiently. If several of you are bringing your products from a distant town, you might purchase a mule together or take turns traveling to purchase or deliver products.

You will be blessed if you move beyond seeing other business owners merely as competitors. Taking the time to sit down and discuss business concerns with other small business owners will likely reveal ways you can help each other.

Ask for Advice

“Where no counsel is, the people fall: but in the multitude of counsellors there is safety” (Proverbs 11:14).

The Bible contains much good advice regarding business and working with others. The author of this passage in Proverbs says there is safety in receiving counsel from others. One of the best ways to receive good advice is to ask for it, especially if there are older small business owners in your community. There will be times when you are not sure what to do, and older, successful business owners can be an excellent source of advice.

Listen and Learn

It is important to listen when others have concerns or ideas regarding our business. We tend to resent someone who reveals flaws in our lives. We are amazingly clever at defending and explaining our point of view. Sometimes we spend so much energy defending ourselves that we lose valuable opportunities to learn.

One advantage of meeting with others occasionally is that we become familiar with each other's strengths and weaknesses. You will soon observe areas where others could improve, but don't forget that other business owners can also see your weak areas. Don't be afraid to let others address these weaknesses in your business.

Our businesses will become much more productive if we listen to the advice and analysis of others. If we are too proud to do this, we miss a tremendous opportunity to learn and grow. Remember, *everyone* has blind spots in his life. There is no shame in having some faults, but there is shame in refusing to listen and learn from those who try to reveal them to us.

5 | Budgets and Basic Recordkeeping

Jesus asked a question one day to demonstrate the importance of planning ahead: “For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it?”¹

That is a good question with an obvious answer: no one would be so foolish. Jesus went on to say that a man who tried this might get the foundation laid, run out of money, and end up being mocked by his friends. Obviously, if you intend to build a tower or another building, you need to first count the cost and be sure you have enough money to finish.

In this lesson we want to look first at how to create a proposed business budget, and then at how to keep basic ongoing records.

Remarkably, many people try starting a business without first calculating whether or not it will be profitable. This is not always easy, but taking the time to do it can save us from getting into an unprofitable project. To do this, we must estimate what expenses and income we can expect from the business. By subtracting the proposed expenses from the income, we can project the estimated profit. At the end of this section you will find two forms, each called “Projected Business Budget”. The first form is blank, but the second one has been filled out as a sample business projection.

Using the blank form, you can estimate whether or not your proposed business will be profitable. This form can also be used to estimate whether or not a new product or service will be profitable.

For example, you may have a small store and you may be considering whether to add a new product line. You know you would need to borrow some money to purchase the new inventory, and you are not sure the added income

would justify the added expense in interest. Or maybe you would like to begin providing your customers with an additional service. This new service would bring in more income, but would also require you to hire another employee. You are not sure the added income from the new service to offset the extra expense. Use the form to work out whether the new product or service will actually pay.

Sometimes it is difficult to estimate expenses and income. It is hard to predict how many people will be interested in the product and how much income will be generated. However, expenses are sometimes easier to estimate. Filling out the expenses in a budget can help you know how much of a product or service you will need to sell to cover your expenses. Sometimes just knowing this can help you decide if you should pursue the new product.

Some products have a very small profit margin and must be sold in high volume to offset the expense of carrying them. If your store does not have many customers, such a product may not work for you. You need to look at these factors before you start offering a product or service.

Group Discussion

1. Do all of you understand how to fill out the Proposed Budget Form?
2. Discuss the advantages of using a form like this to project profits.
3. Discuss how you can estimate the income and expense of a business.

¹ Luke 14:28

- EXCERPT -

Projected Business Budget

Name: _____ Date: _____

Monthly Projected Income:		Monthly Projected Expense:	
Sale Description:		Expense Description:	
1)	\$	1)	\$
2)	\$	2)	\$
3)	\$	3)	\$
4)	\$	4)	\$
5)	\$	5)	\$
6)	\$	6)	\$
7)	\$	7)	\$
8)	\$	8)	\$
9)	\$	9)	\$
10)	\$	10)	\$
Total Monthly Income:	\$	Total Monthly Expense:	\$
Total Monthly Income:	\$		
Total Monthly Expense:	\$		
Total Monthly Profit:	\$		

EXCERPT



Projected Business Budget

Name: Alberto's Used Clothing Date: September 26, 2007

Monthly Projected Income:		Monthly Projected Expense:	
Sale Description:		Expense Description:	
1) Sales of Shoes	\$80.00	1) Cost of Shoes	\$50.00
2) Sales of Pants	\$55.00	2) Cost of Pants	\$30.00
3) Sales of Shirts	\$35.00	3) Cost of Shirts	\$20.00
4) Misc. Supplies	\$30.00	4) Cost of Supplies	\$17.00
5) Mending Clothes	\$50.00	5) Booth Rental	\$15.00
6)	\$	6) Interest on Loan	\$1.50
7)	\$	7)	\$
8)	\$	8)	\$
9)	\$	9)	\$
10)	\$	10)	\$
Total Monthly Income:	\$250.00	Total Monthly Expense:	\$133.50
	↓		
Total Monthly Income:	\$250.00		
Total Monthly Expense:	-\$133.50		
Total Monthly Profit:	\$116.50		

EXCERPT



Basic Recordkeeping

Once you understand how to determine whether or not a business venture might be profitable, you must continue keeping records to keep track of how your business is doing. This is called *bookkeeping*. This is simply the process of writing down items such as your business income and expenses. This may seem like a big job; however, if your records are set up correctly, it will actually take very little time. The important thing is that you update your records at regular intervals. When done regularly, bookkeeping is relatively easy, but if you wait too long you may find the task overwhelming.

The appropriate bookkeeping system will vary according to the type of business. For example, the records kept for a *service business*, such as a car repair shop, are a little different from those kept for a business that sells inventory. Your instructor should be able to help you set up your records to fit your specific type of business.

On the page 32, you will find a sample of simple bookkeeping. On this sample page, we have continued using the example company, Alberto's Used Clothing. This sample page represents the summary for the entire month.

Alberto has kept daily records of his sales and expenses, and then at the end of the month he summarizes his daily records into a monthly report. Alberto's business sells inventory. In this type of business, the three major categories for bookkeeping are *sales income*, *cost of goods sold*, and *expenses*.

In totaling up his daily records, Alberto finds that his total sales for the month of January were \$371.60. He purchases his used clothing in bulk, and this month he purchased 3 bundles of used clothing for \$50.00 each. Each bundle of clothing contains 100 items of clothing. Therefore, his cost per item is only 50 cents. During January, he sold 272 items of clothing, so his cost of goods sold was \$136.00 ($272 \times .50$). Alberto's only expense is the monthly rent he pays for his booth in the market. The rent is \$50.00 per month.

As shown on the attached record sheet, Alberto's net profit for the month of January was \$185.60. This was calculated by taking the total sales (\$371.60) and subtracting

the cost of goods sold (\$136.00) and the expenses (\$50.00).

Group Discussion

1. Does everyone understand how to enter the amounts into a ledger?
2. Does everyone understand inventory and how to keep track of it?
3. Do you all understand how this form could be used to see if specific products you are selling are profitable?

Monthly Income Statement

Date
 ___/___/___ thru
 ___/___/___
 Total Monthly Sales:
 \$

Inventory

Value of Last Month's Ending Inventory \$

Purchase Description

Description	Cost per Item	Number of Items	Total:
1)	\$ x	=	\$
2)	\$ x	=	\$
3)	\$ x	=	\$
4)	\$ x	=	\$
5)	\$ x	=	\$

Total Inventory Purchased: \$

Ending Inventory:

Description	Cost per Item	Number of Items	Total:
1)	\$ x	=	\$
2)	\$ x	=	\$
3)	\$ x	=	\$
4)	\$ x	=	\$
5)	\$ x	=	\$

Total Ending Inventory: \$

Cost of Goods Sold: (Purchased minus Ending Inventory) \$



- \$

Expenses

Description			
1)			\$
2)			\$
3)			\$
4)			\$
5)			\$

Total Expense: \$

Net Profit for Month: (Sales minus Cost of Goods Sold & Expense)

- \$

= \$

EXCERPT

Monthly Income Statement

Date

11 / 1 / 07 thru

11 / 30 / 07

Total Monthly Sales:

\$371.60



Inventory

Value of Last Month's Ending Inventory

\$10.00

Purchase Description

Description	Cost per Item	Number of Items	Total:
1) 3 Bundles of Clothing	\$.50 x	300 =	\$150.00
2)	\$ x	=	\$
3)	\$ x	=	\$
4)	\$ x	=	\$
5)	\$ x	=	\$
Total Inventory Purchased:			\$160.00

Ending Inventory:

Description	Cost per Item	Number of Items	Total:
1) 48 Pieces of Clothing	\$.50 x	28 =	\$24.00
2)	\$ x	=	\$
3)	\$ x	=	\$
4)	\$ x	=	\$
5)	\$ x	=	\$
Total Ending Inventory:			\$24.00

Cost of Goods Sold: (Purchased minus Ending Inventory)

\$136.00

- \$136.00

Expenses

Description			
1) Rent			\$50.00
2)			\$
3)			\$
4)			\$
5)			\$
Total Expense:			\$50.00

- \$50.00

Net Profit for Month: (Sales minus Cost of Goods Sold & Expense)

= \$185.60

- EXCERPT -

6 | Keeping Records

The writer of Proverbs said many years ago, “Be thou diligent to know the state of thy flocks, and look well to thy herds.”¹ He was emphasizing the importance of keeping track of our business activities. A shepherd who counts his sheep each day will know when one is missing, but a shepherd who thinks counting is too much trouble will probably not notice if one sheep wanders off someday.

While it seems obvious that a shepherd would want to keep an accurate record of his sheep, it is amazing how many small business owners neglect to apply the same principle. For a business to be worth your time, it must be profitable. How can you determine whether your business is profitable? First, learn how to track costs.

Begin by writing down all your costs. Some of these costs are the same regardless of how much you sell; we call these “fixed costs.” Other costs change based on your sales; we call these “variable costs.”

Consider this scenario:

Mike buys and sells tomatoes at a local market. He purchases 50-pound boxes of tomatoes and repackages them into 5-pound boxes. He buys the 50-pound boxes for \$9.00 and sells the smaller boxes for \$1.50 each. Mike has to pay \$3.00 each day for his place at the market and \$.10 for each of the small boxes he uses to package the tomatoes.

The \$3.00 rent Mike pays each day is a *fixed cost*; he owes the \$3.00 regardless of how many tomatoes he sells. The purchase of the small boxes, however, is a *variable cost*; the more tomatoes Mike sells, the more small boxes he must buy at \$.10 each. Other variable costs include things like fuel for deliveries, repairs on a vehicle, and miscellaneous packaging.

Using the worksheet labeled Profit & Loss, take the information above and calculate what Mike’s total expenses would be if he bought 4 large boxes of tomatoes and 200

small containers in which to sell the tomatoes. Enter the rent, the tomatoes, and cost of containers in the Costs column. (Sometimes we keep the variable and fixed costs separate, but in this case, just add the three costs together to find his Total Expense.)

Is It Profitable?

Once you understand how to track expenses, checking profitability is simple. To learn whether a product is profitable, compare the income or sales to the total costs.

Before you begin, look at the enclosed Sample Profit and Loss for Mike’s Tomato Business on page 37. After you understand how this report works, begin entering the information from your business onto a blank Profit and Loss sheet.

Begin by entering the period of time this report covers for your business. It is very important that all the business activity you enter on this report occurs between the dates you write down. If you are trying to find out if one part of your business is profitable, then write down only the transactions that pertain to that part. However, if you are trying to decide if an entire business project is profitable, write down every transaction related to that business. Write down each of the costs in the Cost column, and write each sale in the Income column. (If you have more sales or cost entries than will fit on this sheet, you can add them up on another paper and just enter the totals.)

You may have costs that extend over more than the time period of this report. If you are a tailor, for example, you may purchase a box of cloth that takes you three months to use. If you are filling out a report for only one month, you should divide the purchase price of the cloth by 3 and enter that amount as an expense for the month.

After you have added the numbers in each column, enter the Total Cost and Total Income in the appropriate boxes

¹ Proverbs 27:23

at the bottom. When this is completed, subtract the Total Cost from the Total Income to find your Net Income. To find your daily net income, you can divide the total by the number of days the report covers.

In the future, you can make more copies of these sheets or create your own by drawing lines on a piece of blank paper.

Group Discussion

1. Does everyone understand how to fill out a Profit and Loss Report?
2. Do you understand how to see if your own business, or any part of it, is profitable?
3. Discuss ways you could reduce your costs or increase your sales.
4. Has anyone found a part of their business that is not profitable?
5. Discuss ways to increase profitability.

EXCERPT

Profit & Loss Sheet

Date: _____ through _____

DATE	DESCRIPTION	COSTS	INCOME
	Mike's Tomato Business		
4/2/07	Purchase of Tomatoes - 4 Boxes	\$36.00	
4/2/07	Boxes - 200 used during month - .10/box	\$20.00	
4/2/07	Rent for Market Stall	\$3.00	
4/2/07	Sales - 40 Small Boxes		\$60.00
4/9/07	Purchase of Tomatoes - 4 Boxes	\$36.00	
4/9/07	Rent for Market Stall	\$3.00	
4/9/07	Sales - 40 Small Boxes		\$60.00
4/16/07	Purchase of Tomatoes - 4 Boxes	\$36.00	
4/16/07	Rent for Market Stall	\$3.00	
4/16/07	Sales - 38 Small Boxes		\$57.00
4/23/07	Purchase of Tomatoes - 4 Boxes	\$36.00	
4/23/07	Rent for Market Stall	\$3.00	
4/23/07	Sales - 40 Small Boxes		\$60.00
4/30/07	Purchase of Tomatoes - 4 Boxes	\$36.00	
4/30/07	Rent for Market Stall	\$3.00	
4/30/07	Sales - 40 Small Boxes		\$60.00
	Totals:	\$215.00	\$297.00
	Total Cost:		\$215.00
	Net Income:		\$82.00

EXCERPT -

7 | Go to the Ant

The Bible tells us that the tiny ant has some things to teach us. Proverbs says to “consider her ways, and be wise.”²⁶ Watch an anthill for a while, and you will see tremendous activity. Ants are hard workers! Not only do they work hard, they also plan for future needs; they store up food in the summer because they know winter is coming. Like the ants, wise people plan ahead.

One reason we fail to save is because it is hard to start. Putting a small amount of money in a savings account looks insignificant, but go ahead and start anyway. Next time you put a small amount in the account, you will have the joy of watching your savings grow. Think of your savings account as a garden. Your first deposit is a seed, and every time you add to it, you are giving your plant water. Little by little, it will grow into something useful.

If you never plant a seed because you fear it will take too long to get a crop, you will never have a harvest. The man who plants and waters faithfully eventually enjoys a harvest.

There is a difference between saving and hoarding. We ought to save our money with a specific goal in mind. Saving for security, because we fear the unknown, is hoarding. Jesus clearly taught us not to be anxious about the future.²⁷ As we save, we should prayerfully consider how to save without hoarding out of fear. God knows our needs and will help us.

Saving for known expenses is different. Often you know of a future need, and this is a good reason to save. You might save to purchase a home, vehicle, or tool that you need in your business. It is important to discuss your goals with your spouse and, sometimes, the entire family.

For example, if your family knows you have a goal of owning your own home someday, they will more readily

understand why you choose not to purchase certain items and save the money instead. This type of saving can become a game, with family members thinking of new ways to save. However, it will only work if the goal is understood and frequently discussed.

Most families can save an amazing amount if all the family members get enthused about saving for the same goal. Even very poor families have been able to save toward a goal simply by eliminating small unnecessary items from their budget, or by walking rather than paying for transportation. One family started saving by putting more water in their tea!

Parents should be careful that saving is not accomplished at the expense of more important things. Ignoring health problems, neglecting home maintenance, or purchasing less nutritious food to save money is not wise. The goal must be worth more than the items you are giving up for it.

After you have chosen your savings goal, decide how soon you want to reach this goal. Then take the cost of the item you are saving for and divide it by the number of weeks or months you have set to reach your goal. For example, if the item you are saving for costs \$200, and you want to save this in two years, you will need to set aside \$1.93 each week to reach your goal.

Make saving a part of your normal life. When you receive income from your business, put a small amount in savings. There will always be items you need to buy, but make savings a priority.

One difficulty, especially in certain cultures, is knowing how to respond when family members ask you for money. Consider having another person, or even a savings group, control your savings, with instructions to release your money from savings only for specified needs. This accountability creates a safeguard for your savings. Though there are times we need to help others financially, having someone else to talk to about the request can be helpful. Such an arrangement

¹ Proverbs 6:6

² Matthew 6:25–34

will enable you to keep your savings until you are ready to make a planned purchase.

Don't let the thought of starting to save scare you. Saving is possible! Saving is beneficial! And you *can* do it!

Group Discussion

1. Do each of you have items you would like to save toward?
2. Have you discussed these goals with your families?
3. Discuss areas in your life that could be changed to help save toward your goal.
4. Do you all understand how to divide the total cost of an expense into smaller weekly or monthly amounts?
5. How can we determine when we have crossed the line between saving and hoarding?

- EXCERPT -

The Bible has many warnings regarding debt. Proverbs 22:7 says; “The rich ruleth over the poor, and the borrower is servant to the lender.” This little passage contains a tremendous truth that is applicable today. When we take on debt for our business or our personal lives, we assume responsibility to the lender. We are agreeing to pay back the money we have borrowed, sometimes with high interest. We assume this responsibility without knowing the future. Many problems could present themselves us that would prevent us from repaying our debt. Health problems, economic downturns, or natural catastrophes can radically affect our ability to pay back a loan. Getting a loan is easier than repaying it. Repaying a loan takes discipline, hard work, and focus.

Are there good reasons to expose ourselves to the risks of debt? Yes, there are, but we should closely examine why we are borrowing.

Obviously, we should only borrow money for important things, but what things are important enough? Debt can be useful in starting or expanding a business. What kinds of things should we avoid purchasing with borrowed money? In the next section, we'll look at one such situation: borrowing money to buy things that depreciate.

Debt and Depreciation

Depreciation is a big word for a simple concept. All of us understand that some items lose their value quickly. This loss of value is called *depreciation*. If you purchase a tomato at the market, it needs to be used within a few days, or it will be useless; a tomato depreciates, or loses value, rapidly. Other items last longer. When you purchase a hoe to use in the garden, you expect it to be useful for many years. Because of this, we say a hoe depreciates slowly.

When you receive a loan, you need to know what types of purchases that money should be used for and what types

it should not be used for. Borrowed money should be used to purchase only items that will depreciate very slowly.

Borrowing money to purchase a hoe may be a good decision because that hoe can be used long after you have paid off the loan. However, using borrowed money to buy a bag of tomatoes to eat would be a poor decision. The tomatoes would be gone in a few days, while the loan might take much longer to repay. The only time it may make sense to borrow money for items that depreciate quickly is when you are buying items, like tomatoes, to resell immediately.

These guidelines are important to remember because it is easy to make purchase decisions based solely on whether or not we have money available. When we receive a loan, we suddenly have readily accessible money, and we easily forget that it is borrowed.

Borrowed money is a tool, but it is a dangerous tool. Used correctly, it can be a blessing, but used incorrectly or carelessly, it can be harmful. It is unwise to use borrowed money to purchase items that depreciate rapidly or will not provide income.

A hammer is a useful tool. However, suppose that when you saw a mosquito on your son's head, you would try to kill it by hitting it with a hammer. Your son would be injured. Would that be the hammer's fault? Of course not! Hammers were never meant to kill mosquitoes on little boys' heads. Like a hammer, debt is useful when used carefully and correctly, but if used incorrectly, it can be disastrous.

Repaying Faithfully

When you receive a loan, it is because someone has trusted you. Trust is very important in business dealings. We like to do business with people we trust. As you faithfully repay a loan, you build a reputation for trustworthiness.

As others see that you can be trusted, they will be more willing to do business with you. A trustworthy lifestyle will help your business grow.

Most people who fail to repay their loans do so because of a lack of discipline. They did not plan to fail; they simply failed to plan. When they took the loan, they planned to pay it back, but because of circumstances, when the time came to repay, they simply didn't have the money. Let's look at an example of this.

Imagine that Ema is a mother in Haiti. Her husband does not make enough money at his job to provide for his family, so Ema decides to start a small business selling flour in the market. Ema receives a loan to get started and begins selling flour. She buys the flour for three dollars per bag and sells each bag for four dollars. This means that every time she sells a bag of flour, three of those four dollars will be needed to buy more flour, and only one of the dollars is profit.

If Ema sells two bags on market day, she will take home eight dollars. As she walks home thinking about all the things she needs, she could forget that only two of the eight dollars in her purse are really hers to spend. If she spends all eight dollars, she will not have money to buy more flour for the next market day, and she will not be able to repay her loan either.

Ema may need to consider first setting aside in a separate purse the money she needs for buying more flour. This will ensure that she has the cash to continue her business. It is extremely important to learn this concept in business, especially if you are in debt.

Group Discussion

1. Spend some time discussing the types of things we should purchase with borrowed money.
2. What are some ways debt can be helpful?
3. Can any of you think of examples where debt has been used improperly?
4. Have any of you experienced the difficulties that result from misusing borrowed money? Share them with the others.
5. Discuss ways you can ensure you will have money to buy more inventory and faithfully repay your loan.

Conclusion

In the first meeting, you were introduced to John and Jane, who live with their five children in a small village in Ghana. Their oldest child, Matthew, enjoys helping his father raise onions and peppers on the family's plot of land just behind the village. Jane sells their produce and other products from a small stand attached to their home. Mary, their oldest daughter, enjoys helping Jane in the store. The three younger children help around the house and in the store when needed.

Life has not been easy for John and Jane. Their family is growing, and their income never seems sufficient to cover groceries, clothing, rent on their house and land, and store inventory. They dream of saving for a place of their own, but so far they have not been able to set any money aside. Every time they collect a little money, some unexpected expense seems to swallow it up.

In this manual we want to look at how followers of Jesus should respond to various real-life situations. We will explore Biblical principles that can help us make good choices, and we will walk with John and Jane's family as they try to apply these principles in their lives.

Can the Bible really provide practical direction for our everyday choices? Can it answer the questions John and Jane have about how to build productive lives and train their children in truth? Yes, even in a changing world, the unchanging principles God has provided us in the Bible can direct our smallest daily decisions.

We are called to be stewards of what God has placed in our care. We must decide what to eat, what to wear, and where to go. We must choose how to make a living and how to conduct our business. We must choose how to relate to a vast array of options in technology and entertainment. Our children have options we could not have imagined in our youth, and we need Scripture to guide us as we teach them to make God-honoring choices.

- EXCERPT -

- EXCERPT -

Small Business Handbook

EXCERPT

Who Needs a Budget?



When Joseph informed Pharaoh that a famine was on the way, the ruler of Egypt didn't know what to do. But Joseph did. This young Hebrew slave had a plan ready. He told Pharaoh that Egypt would first have seven good years, "seven years of great plenty" (Genesis 41:29). Joseph's plan was to store some of this extra grain in preparation for the seven years of famine that would follow. In short, Joseph presented Pharaoh with a budget.

A budget is simply a financial plan. It helps us get where we want to go. In the case of Joseph, it prevented Egypt from starving during a famine.

Budgets can be a useful tool in helping manage our money in our home or business. A budget alone will not solve all our financial problems, but a good one can help us arrive at our goal.

Many people do not feel they need a budget. They have never taken the time to look closely at their finances, and they cannot imagine how spending more time looking at numbers could be helpful. Furthermore, most people who are struggling financially do not enjoy bookkeeping; it is a painful process for them. Generally, if you find someone who is having a hard time making his business profitable, you will find he keeps no accurate business records and has no budget.

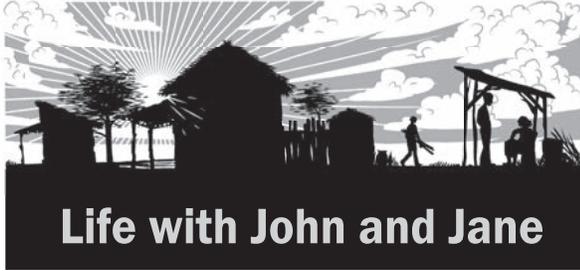
Creating a budget does not need to take a lot of time. It can be very simple and yet very effective. If maintaining a budget takes more than thirty minutes each month, you are probably doing something wrong. Done right, a basic budget saves much time and confusion. It helps us decide whether we can really afford a purchase. Simply having the money on hand does not mean it is prudent to make a purchase. The money we have on hand may be needed next week for inventory or for something more important than what we want to purchase right now.

A budget is like a road map—a drawing that shows us where we are, where we want to go, and how to get from one place to another. A map shows the various intersections we will encounter. If we have our map in hand and know where we are headed, it is easy to make an intelligent decision when we approach an intersection. A budget is the same way. The more we rely on it, the more it enables us to stay on track financially.

Possessing a map, however, does not ensure that we will arrive safely at our destination. Budgets, like maps, must be used in order to be useful. If you have never created and maintained a budget for yourself, consider doing it. Everyone can benefit from a basic budget.

Understanding the Principle

1. What is the purpose of a budget?
2. What are two things we must know to be able to use a road map?



Life with John and Jane

“John, the landlord just stopped by,” said Jane, taking another drink from her Coke. “He needs our rent by the end of next week.”

“I thought I had already paid that,” replied John, looking up from his new magazine. “This month is going to be tight, and I am not sure we have enough to pay him. I wish I hadn’t bought those tools now.”

“It isn’t all your fault, John. I thought we had plenty of money in the account, so I spent more on clothes and other things we didn’t have to get right now. I guess I should have made sure the rent was paid first.”

This scene replayed itself every month. When the rent came due, John and Jane would discover they were short on funds.



Applying the Principle

1. Why are John and Jane short on funds when the rent is due?
2. How could a family budget help them avoid this monthly conflict?
3. What does poor management teach our children?
4. How might learning good management skills now prepare John and Jane’s children for future life?

A Living Faith

James 2:14–26

But without faith it is impossible to please him: for he that cometh to God must believe that he is, and that he is a rewarder of them that diligently seek him (Hebrews 11:6).

We understand from the Bible that faith is extremely important; in fact, this verse says we can't please God without it. In John 4, Jesus emphasized this truth to the woman at the well. Our God seeks people who have faith in Him—not faith in the strength of their faith, but faith in God alone.

What is faith? If faith is so important, we need to know what it is! To some people, faith is merely a feeling within, an inner acknowledgement of God's existence. In this lesson's reading from James, however, James teaches us that a faith that is just an inner feeling is worthless. He compares this kind of faith to a dead body; though it looks somewhat like the body of a living person, it is incapable of accomplishing anything. Faith does include our mental assent, but it goes beyond just believing theological facts; it involves trusting in and building our lives upon the person and message of Jesus Christ.

The story is told of an acrobat who used to push an empty wheelbarrow across a tightrope above the huge Niagara Falls. One day he asked the crowd, "How many of you think I could push the wheelbarrow across the tightrope if someone was in the wheelbarrow?"

The crowd cheered and all agreed he could probably do it. Then he asked, "Who will get in the wheelbarrow and let me push you across?" The crowd grew silent. No one volunteered to get in the wheelbarrow. The crowd believed the fact—that the man could push someone across the tightrope in a wheelbarrow—but they were not willing to stake their lives on that fact. They did not truly believe.

Many Christians today teach that faith alone is all God requires. James says this is false teaching; faith that is alive and healthy produces something. True faith that



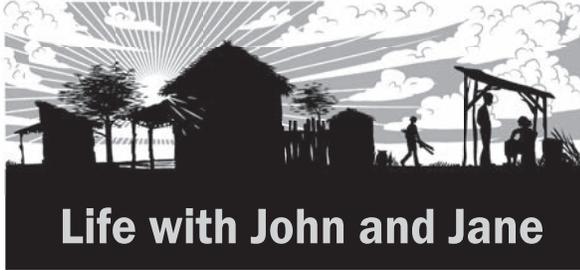
is acceptable to God always produces action. When the Bible speaks of faith, it assumes we understand that this faith produces an obedient life. When the Bible speaks of works, it assumes again that we understand that these works are motivated by a strong faith in God.

All this can be confusing. We can spend much time arguing about words and meanings, but God is interested in one thing: is our faith alive or dead? To honestly answer this question, I must look at my life. Is godliness flowing out of it? Is my life dramatically different from the lives of my unbelieving neighbors? Does belief in God change how I do business with my neighbors? Or do I have the kind of faith that speaks of God at church but is worthless in the marketplace?

If our faith is alive, we won't need to talk a lot about it. Our neighbors will be able to see evidence of it in our daily decisions.

Understanding the Principle

1. What does faith include, besides believing a fact in our mind?
2. What does James chapter two say about faith alone?
3. What will living faith always produce?



Life with John and Jane

“Matthew, I need some help,” John called. “Please come out here.”

Matthew put down the book he was reading and came to the door. His father was looking up at something on the roof.

“We need to fix that grass thatch there, Matthew. I am pretty sure that is where the water comes in when it rains. I am bigger than you, so let me hold you up on my shoulders, and then you adjust that thatching. Do you see the one I mean?”

“Yes, I see it,” Matthew answered hesitantly. “But I am not so sure about standing on your shoulders. Maybe we should see if anyone in the village has a ladder.”

“I can’t think of anyone right now that has one,” John replied. “I am pretty sure I can hold you up there all right. You can hang on to the house for balance. It will just take a minute to adjust the thatch.”

Matthew didn’t say anything, but there was doubt in his eyes.

John studied his son with a puzzled look. “Don’t you think I can hold you up there?”

“Yes,” he answered, “I am sure you can. You have carried many things heavier than I am.”

“Then let’s do it.” John stepped up close to the house and made a cup with his hands so Matthew could step in and then climb to his shoulders. But Matthew only stood there, gazing up at the roof.

“What’s the matter, Matthew?”

“Oh, I don’t know.”

“Well, let’s get it done then. Or do you want me to climb up on you?” John laughed, knowing that his son was not nearly strong enough to hold him.

“No, I couldn’t possibly hold you!” Matthew said, without moving.

“Why don’t you climb up, then? Are you scared of heights or afraid I can’t hold you?”

“No,” Matthew replied slowly, “I am not scared of heights. I climb lots of trees way higher than that. I guess I am scared that you will drop me.”

“What?” exclaimed John. “I thought you said you believed I could do it. Now you’re saying you don’t trust me.”

“Oh, I believe you can easily do it, but I’m just not sure you can do it with me,” Matthew finally answered.



Applying the Principle

1. Does Matthew have faith in John or not? Explain your answer.
2. How is faith tied to faithfulness?
3. Name some areas in life where it is easy to say we have faith, but where our actions may demonstrate a lack of faith.

Absolute Honesty

Recompense to no man evil for evil. Provide things honest in the sight of all men (Romans 12:17).



A twelve-year-old boy was an important witness in a lawsuit. After cross-questioning him for some time, one of the lawyers said severely, “Your father has been telling you how to testify, hasn’t he?”

“Yes,” replied the boy.

“Now,” said the lawyer, “just tell us how your father told you to testify.”

“Well,” said the boy, “father told me the lawyers would try to tangle me up in my testimony, but if I would just be careful and tell the truth, I could tell the same thing every time.”

This father had taught his son an important truth that many older men and women have failed to grasp. Speaking absolute truth is essential to the Christian life. It is one of the trademarks of Christianity. Jesus said He is truth. A man who claims Jesus Christ lives within him but who lives a life of dishonesty, is deceived.

A boy once arrived home bragging that the conductor had failed to collect the bus fare from him for the ride home. He had saved 5¢ because of the conductor’s oversight. When the boy’s father heard about it, he was shocked. “Son,” he said, “I’m amazed you would sell your honesty for only 5¢!”

The young boy was embarrassed, and he never forgot that lesson. No matter how much or how little is at stake, it is never worth trading our honesty for money.

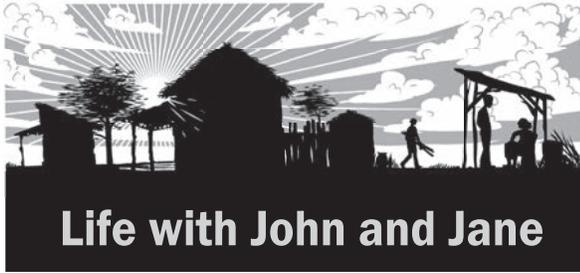
Just how strong is your love for truth? If someone forgets to charge you for a product, are you so dedicated to absolute truth that you can’t rest until you make it right? Are you known in your community for absolute honesty in every aspect of your business?

Every part of our business and personal life must exhibit

honesty. When we find a business error in our favor, God is giving us an excellent opportunity to show unbelievers that our commitment to the Lord Jesus and absolute honesty is stronger than our love for money. This life is short, and we should welcome opportunities to demonstrate what following Jesus looks like. If we tell someone we will provide a certain product or service for a certain price, then let’s keep our word regardless what it may cost us. In the life of a Christian, absolute honesty is absolutely essential, regardless of the cost.

Understanding the Principle

1. How would Jesus respond if a bus conductor forgot to collect His bus fare?
2. How can such situations become opportunities for God to be glorified?



Heading into the village one morning, Jane had plenty to think about. She needed to purchase some dress material, and she also wanted to get some supplies to make a small gift. Her invalid neighbor had been sick, and Jane wanted to make a little surprise to bring some cheer into her life. Jane's problem was that she wasn't sure she had enough money for both. The store they operated as a family had been slow lately, and so they had been a little tight on money.

Arriving at the fabric store, Jane picked out the fabric she needed, paid for it, and then proceeded to the store where she was planning to purchase supplies to make the gift. She wasn't sure how much the supplies would cost, so she planned to just check the prices and see if she had enough.

Walking into the store, Jane quickly checked the prices. Her heart sank. The cost was more than she had expected. As she turned to leave, she decided to check her purse, just to be sure it contained

the amount of money she thought it did. To her surprise, there was enough in her purse to buy the supplies she wanted.

"How can that be?" Jane thought. She knew the price of the fabric and the amount of money she had brought from home. Suddenly she realized what had happened: the fabric store had given her too much change. If she returned the extra money to the fabric store, she would not have enough to make a gift for her invalid neighbor.



Applying the Principle

1. The people at the fabric store would probably never know that they gave Jane the wrong change, and it would be nice to cheer up her neighbor. What should Jane do?
2. Are there ever times when dishonesty is right?
3. What might be some positive results from returning the money?
4. Have you ever faced a situation like this? How did you respond?

Commonsense Recordkeeping



I once attended a community work day where about thirty neighbors showed up to help clean up and rebuild a barn that had burned down. We spent a good part of the day there, but by the end of the day little had been accomplished. What was the problem?

The problem was that no one took responsibility to organize the job. Plenty of manpower was available, but because no one was in charge, most of the men spent much time standing around trying to figure out what to do.

Years later I was at another event like this. This time, one man was in charge of organizing the workers. He did very little work himself, but he managed the building process. By the time the workers stopped for the noon meal, they had nearly finished putting up a small barn.

Recordkeeping is like a work day; if it is not managed well, little good comes from it. But carefully managed, it can accomplish much. Here are a few pointers that can help you keep good records that will be useful to your business:

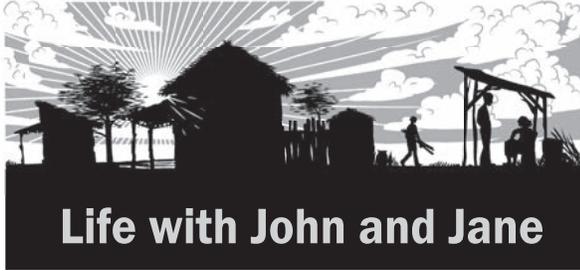
1. Have one person responsible for keeping the records. In many homes, the wife takes care of recordkeeping. There are several reasons for this. One is that women tend to be more detail-oriented and willing to spend the time needed to consistently keep records up to date. Regardless who takes charge of this job, husbands and wives need to discuss it and decide who will do it. While both can help compile the information, only one should ultimately be in charge of recording it; having two people trying to manage the same set of records can create problems quickly.
2. Have a particular place where you keep your records. Your records must never be left lying out where receipts and bills can be lost or damaged. When bills are lost, your vendors will need to contact you again and remind you what is

owed. This can greatly damage the relationship between you and your vendor. It also tells your vendor that your business skills are poor. Not only does this influence how your vendor deals with you in the future, over time it can also greatly affect the public's perception of your business.

3. Have a specific time that you do your recordkeeping. You may find it helpful to connect this time to another event such as market day or some other weekly event. If we let our record keeping wait until we have extra time, the project will keep getting larger, making us more inclined to procrastinate. Frequent and consistent recordkeeping helps make the job more enjoyable and keeps our records current.
4. Take time to go over your records with others and share struggles and progress. This can be very helpful to your business. Sometimes discussing your records with your spouse, children, or a friend can prompt new ideas and suggestions. Since we can become blind to our own failings, it is often helpful to have someone else look over our books and offer another perspective on our business management.

Understanding the Principle

1. What are some successes and challenges you have had in recordkeeping?
2. Do you have a safe place to keep your records?
3. Is there someone in your home who understands recordkeeping and is willing to be responsible for it?



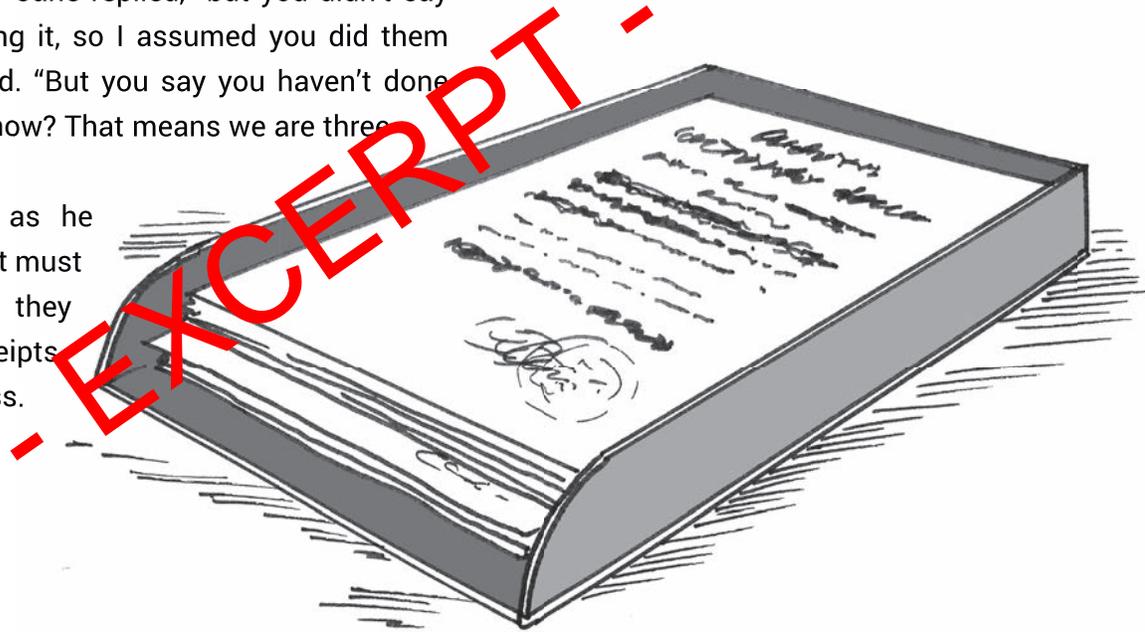
“Jane, are you doing the records for the store this month again?” John asked. He didn’t enjoy recordkeeping, so he hoped Jane would volunteer.

“No, I thought you were taking care of that.”

John looked dismayed. “No, I haven’t done them for three months now. I thought you were going to do them for a while.”

“I guess I could have,” Jane replied, “but you didn’t say anything about me doing it, so I assumed you did them last month.” She paused. “But you say you haven’t done them for three months now? That means we are three months behind!”

John’s face sagged as he thought of the mess that must be in the box where they tossed the bills and receipts from their small business.

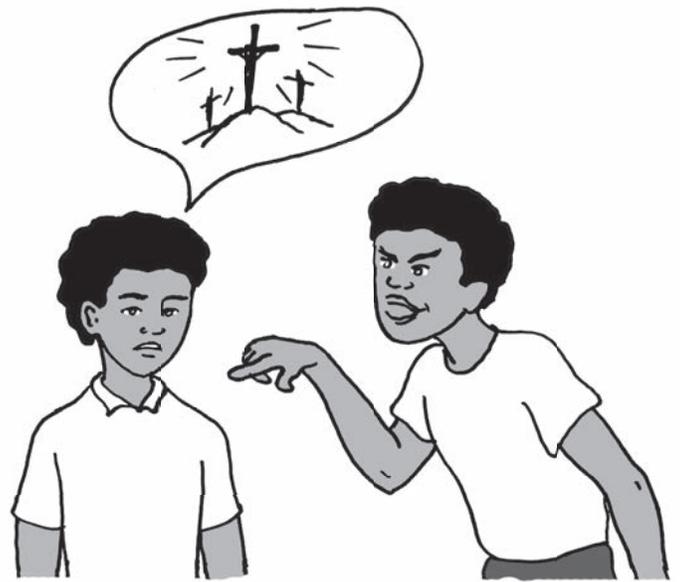


Applying the Principle

1. From this story, what impression do you get of the way John and Jane’s business is being managed?
2. What may be in the box of receipts and bills that will shock them when they look into the mess?
3. What are some potential problems with having two people share the recordkeeping tasks? How could this be rectified?

Defenseless Living

But I say unto you, Love your enemies, bless them that curse you, do good to them that hate you, and pray for them which despitefully use you, and persecute you (Matthew 5:44).



Earlier in this chapter Jesus tells His followers not to resist evil. Even if someone hits us, Jesus commands us not to fight back. Love your enemies? Don't resist evil? What a revolutionary teaching!

This way of life has drastically changed the lives of faithful believers. It distinguishes Christianity from every other religion. It is why believers in the Lord Jesus have refused to fight for the country where they live. It is why Christians have patiently suffered persecution without fighting back.

Jesus showed us how to live this way. He was spit upon, beaten, mocked, and finally nailed to a cross, yet He never fought back or resisted those who persecuted Him. If there ever was a man who had the right to fight back, it was Jesus. He was completely innocent. He could have called thousands of angels to defend Him, but He chose not to. Even while being nailed to the cross, Jesus forgave His enemies, praying, "Father forgive them, for they know not what they do" (Luke 23:34).

Many people today call themselves Christians, while failing to follow the basic teachings of Jesus. Is a person a Christian just because he says he is? Does going to church make someone a Christian? Jesus warned that many will appear at the Judgment, claiming to be followers of Christ—only to find that the Father does not even know them. How it must grieve our Father to see people claim to be His disciples, while living in disobedience to His commands.

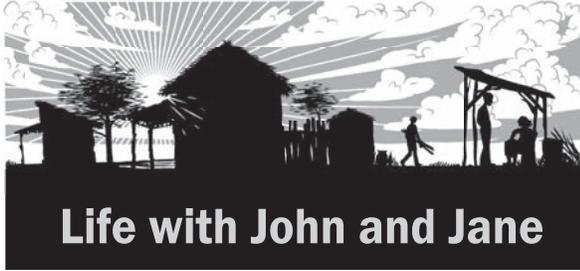
Take a look at your life. Do you have any enemies? Can you think of people who have said something bad about you or treated you unfairly? How do you treat them? Do you love them? Can you honestly and sincerely pray for

them?

God wants us to be filled with His love that it spills over to everyone we meet. He wants us to be radically different from the unbelievers around us. He wants our words and actions to be patterned after Jesus, so others will want to be like Him, too. Jesus said, "By this shall all men know that ye are my disciples, if ye have love one to another" (John 13:35).

Understanding the Principle

1. If we are to love our family, our neighbors, and our enemies, who is left to hate?
2. Is it possible to hate someone if you have forgiven them?
3. Do you know of any religion besides Christianity that practices love to its enemies?



Life with John and Jane

“Mom, Jordan hit me again in school today,” moaned Matthew as he came in the door.

“What made him do that?” asked Jane as she hugged her son.

“He is just mean. I didn’t do anything to him to make him hit me.”

“Did you fight back?” asked Jane tenderly. “Jesus tells us to not fight back when others mistreat us.”

“I don’t think that would work with Jordan,” replied Matthew. “He is ugly, mean, and worthless. He needs a good fist in his face to stop him.”

“Matthew, do not talk about Jordan like that. It will just stir up your anger and resentment toward him. So, answer me—did you fight back?”

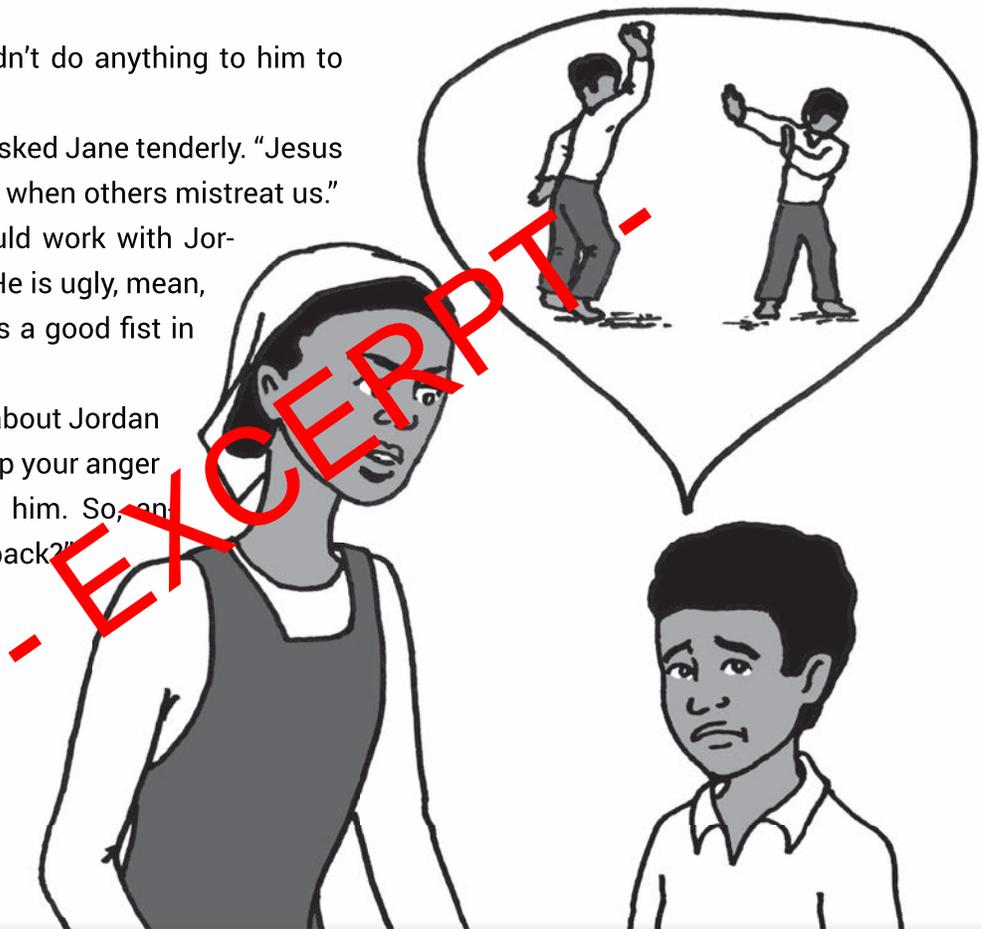
“Well, I did protect myself,” said Matthew, looking at the floor.

“And how did you do that?” asked Jane.

“Well, umm, I . . . uh, picked up a rock and threw it back at him. He started it!”

“And did that make Jordan like you more or less?” asked Jane.

“I don’t think there is anything I could do to make him like me more,” Matthew replied.



Applying the Principle

1. Is Jesus’ command to not fight back only for when we face religious persecution, or is it for any wrong done to us, even in a business deal?
2. What verses in the Bible, or words of Jesus, could Jane have used to teach Matthew in this situation?
3. In the story, is there anything Matthew could possibly do to make Jordan treat him better?