

Business Recordkeeping

How-To Guide & Workbook for
Poultry Farms



August 2017

Welcome!

Purpose:

Business is all about making profit. The purpose of this training is to give you the basic record keeping tools and techniques to be better able to monitor your business and to make more profit!

At the end of this training you will be able to:

- Track your sales and expenses to know your profit
- Keep track of your inventory
- Keep track of your poultry production
- Sleep better at night!

Schedule for Today's Training

9:00-10:00

- **Session 1:** Financial Record Keeping
- **Session 2:** Inventory Control

10:00-10:15

- **Break**

10:15-11:00

- **Session 3:** Poultry Production Logs

Session 1: Business Record Keeping

Financial Record Keeping

“The brain of your business”



Financial Record Keeping

What is financial record keeping?

Financial record keeping means writing down all the money that comes into your business, and also writing down all the money that goes out of your business.



Why bother keeping records?

You might think you can remember everything, but you cant!
Especially as your business **grows**

Accurate business records will help you make informed and precise business decisions:

- Know whether you are making a profit or a loss
- Know where to direct your sales efforts to maximise profit
- Know where your major costs are coming from and how to cut cost
- Detect money lost from theft
- Know who your key customers are
- Be better able to access loans or financing (**all lenders require records!**)

All the money coming in: Sales

You must record a sales record **every single** time money comes into the business!

Sample Sales Record:

Company Name		SALES RECORD SHEET					
SALES FOR THE WEEK OF:							
No.	DATE	CUSTOMER	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL

Example 1 - Sales:

On July 12, your company, SOBA Poultry, sold 6 cartoons of eggs to Mr. Kamara

On July 13 you sell 10 bags poultry feed to Mrs. Koroma

You sell each cartoon of eggs for 250,000 Leones

You sell each 25kg bag of complete poultry feed for 110,000 Leones

SOBA Poultry		SALES RECORD SHEET					
SALES FOR THE WEEK OF: <i>June 17 to June 23, 2017</i>							
No.	DATE	CUSTOMER	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
1	<i>12-07-2017</i>	<i>Mr. Kamara</i>	<i>Eggs</i>	<i>6</i>	<i>Cartoon</i>	<i>250,000</i>	<i>1,500,000</i>
2	<i>13-07-2017</i>	<i>Mrs. Koroma</i>	<i>Poultry feed 25kg</i>	<i>10</i>	<i>Bags</i>	<i>110,000</i>	<i>1,100,000</i>

Exercise 1:

On July 12 your company sold 5 cartoons of eggs to Mrs. Jalloh

On July 13 your company sold 15 bags of poultry feed to Mr. Marah

On July 14 your company sold 11 cartoons of eggs to Mrs. Bobson

You sell each cartoon of eggs for 250,000 Leones

You sell each 25kg bag of complete poultry feed for 110,000 Leones

Complete the following sales record sheet:

		SALES RECORD SHEET					
SALES FOR THE WEEK OF:							
No.	DATE	CUSTOMER	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL

All the money going out: Expenses

You must record an expenses record **every single** time money goes out of the business!

Sample Expenses Record:

Company Name:		EXPENSES RECORD SHEET					
EXPENSES FOR THE WEEK OF:							
No.	DATE	PAID TO:	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL

Example 2 - Expenses:

On July 12, your company, SOBA Poultry, bought 5 50kg bags of poultry feed concentrate from Nuscience for 300,000 Leones per bag.

On July 13 you paid 75,000 Leones for transport to deliver eggs to retailers in town

On July 14 you paid your employee, Mrs. Bangura, 50,000 Leones

SOBA Poultry		EXPENSES RECORD SHEET					
EXPENSES FOR THE WEEK OF: <i>June 17 to June 23, 2017</i>							
No.	DATE	PAID TO:	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
1	12-07-2017	Bo Oil Works	feed concentrate 50kg	5	Bags	300,000	1,500,000
2	13-07-2017	Truck driver	Transport to shops	1	Trip	75,000	75,000
3	14-07-2017	Mrs. Bangura	Employee Wages	1	Sum	50,000	50,000

Exercise 2 - Expenses:

On July 12, your company, bought 7 bags of poultry feed concentrate from Nuscience for 300,000 Leones each

On July 13 you paid yourself 100,000 Leones in wages

On July 14 you bought 20 litres of diesel from Total for 6,000 Leones per litre

Complete the following Expenses record sheet:

		EXPENSES RECORD SHEET					
EXPENSES FOR THE WEEK OF:							
No.	DATE	PAID TO:	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL

Profit!

The next step is to figure out how much profit you are making (or loss!)

- Add up all of the items in your sales record
- Add up all the items in your expenses record
- Subtract the expenses from your sales
- This gives you your **profit** (or loss)



Exercise 3 - Calculating Profit:

SOBA Poultry		SALES RECORD SHEET					
SALES FOR THE WEEK OF: June 12 to June 18, 2017							
No.	DATE	CUSTOMER	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
1	12-07-2017	Mr. Kamara	Eggs	4	cartoons	250,000	
2	13-07-2017	Mrs. Koroma	Eggs	8	Cartoons	250,000	
3	14-07-2017	Mr. Bobson	Complete feed 25kg	10	Bags	110,000	
4	15-07-2017	Mr. Bangura	Eggs	6	Cartoons	250,000	
5	16-07-2017	Bo Soap Shop	Complete feed	4	Bags	110,000	
6	17-07-2017	Mr. Kamara	Eggs	9	Cartoons	250,000	
						TOTAL SALES	

Exercise 3 - Calculating Profit:

SOBA POULTRY		EXPENSES RECORD SHEET					
EXPENSES FOR THE WEEK OF: June 12 to June 18, 2017							
No.	DATE	PAID TO:	DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL
1	12-07-2017	Total	Fuel for generator	20	Litres	6,000	
2	13-07-2017	Supply shop	Limestone 25kg	10	Bags	70,000	
3	14-07-2017	Taxi	Transport for employee	1	Trip	25,000	
4	15-07-2017	Supplier	Feed concentrate 50kg	8	Bags	300,000	
5	16-07-2017	Total	Fuel for generator	50	Litres	6,000	
6	17-07-2017	Mrs. Bangura	Employee wage	1	Sum	100,000	
7	18-07-2017	Supply shop	Limestone 25kg	15	Bags	70,000	
						TOTAL EXPENSE	

Exercise 3 – Calculating Profit



Based on the previous example, calculate profit:

Sales:	
<i>Minus</i>	-
Expenses:	
<i>Equals</i>	=
Profit:	

If you ever have **negative** profit this is a **loss**, and you have to figure out how to *increase sales* or *decrease expenses*

Session 2: Business Record Keeping

Inventory Record Keeping

“The body of your business”



Business Record Keeping: Inventory

Inventory is your business' quantity of merchandise or goods held in stock.

Why keep track of inventory?

- You know how much product you have coming in and moving out of your business
- Helps you plan your sales efforts
- Helps you plan your production so you don't run out of stock
- Detect products lost from theft
- Helps you control your expenses
- Gives you **peace of mind**

Business Record Keeping: Inventory

To keep track of inventory you use a **Stock control card**

Use one for each product you sell as well as for key supplies

Sample stock control card:

Company Name:		STOCK CONTROL CARD					
PRODUCT:							
DATE	OPENING BALANCE	NEW STOCK	BALANCE	STOCK OUT	CLOSING BALANCE	STOCK KEEPER	SIGNATURE

Example 4: Stock Control

On July 12, your Company, SOBA Poultry, has 10 50kg bags of feed concentrate in stock

That day you buy 5 more bags, and you use 8 bags

The next day you buy 10 bags and use 5 bags

SOBA Poultry		STOCK CONTROL CARD					
PRODUCT: 50kg Bags of Poultry Feed Concentrate							
DATE	OPENING BALANCE	NEW STOCK	BALANCE	STOCK OUT	CLOSING BALANCE	STOCK KEEPER	SIGNATURE
12-07-2017	10	5	15	8	7	Mr. Jalloh	M. Jalloh
13-07-2017	7	10	17	5	12	Mr. Jalloh	M. Jalloh

Notice closing balance on day 1 is opening balance on day 2!

Exercise 4: Stock Control

On June 12 your company had 20 bags of poultry feed concentrate in stock

That day you bought 10 bags and used 8

On June 13 you didn't buy any bags but used 15

On June 14 you bought 20 more bags and used 12

Complete the table below:

STOCK CONTROL CARD							
PRODUCT:							
DATE	OPENING BALANCE	NEW STOCK	BALANCE	STOCK OUT	CLOSING BALANCE	STOCK KEEPER	SIGNATURE

Session 3: Poultry Production Logs

“The hands of your business”



Poultry Production Logs

Why log your poultry production?

- Allows you to know exactly how productive you are
- Allows you to know when productivity is low
- Allows you to anticipate and mitigate disease outbreaks
- You can calculate production efficiency and correct when you are not being productive
- Deters theft!



Example 6 – Master Sheet

On August 15:

- Chicken house #1 has 1200 birds and produces 900 eggs, 20 break, 2 birds have died
- Chicken house #2 has 700 birds and produces 575 eggs, 12 break and no birds have died
- Chicken house #3 has 850 birds and produces 610 eggs, 10 break, and 4 birds have died

POULTRY PRODUCTION LOG MASTER SHEET							
DATE: August 15, 2017							
CHICKEN HOUSE	EGGS			CHICKENS			SIGNATURE
	TOTAL	BROKEN	REMAINING	LAYING	MORTALITY	TOTAL	
#1	900	20	880	1200	2	1198	Mr. Koroma
#2	575	12	563	700	0	700	Mr. Koroma
#3	610	10	600	850	4	846	Mr. Koroma
			2043			2744	

*Note you can compile master sheets daily or weekly

Exercise 6 – Master Sheet

On August 16:

- Chicken house #1 has 1000 birds and produces 820 eggs, 20 break, 6 birds have died
- Chicken house #2 has 954 birds and produces 760 eggs, 22 break and no birds have died
- Chicken house #3 has 800 birds and produces 650 eggs, 15 break, and 3 birds have died

POULTRY PRODUCTION LOG MASTER SHEET							
DATE:							
	EGGS			CHICKENS			
CHICKEN HOUSE	TOTAL	BROKEN	REMAINING	LAYING	MORTALITY	TOTAL	SIGNATURE

Add up the total number of eggs and total number of chickens

Match Production and Sales

You should always be comparing your **sales records** to your **production records**

- If your sales are less than what you have produced there is a problem
- There may be unnecessary breakage or theft!
- Keeping records and comparing them allows you to correct problems **quickly**



Homework!

- 1) Start **consistently** using your sales and expense records for ALL transactions
- 2) Track your inventory using stock control cards
- 3) Track your poultry production using poultry production logs

