

July 2013

YOUR FINANCESYOUR FUTURE

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For the Alumni of the ECCB
Savings and Investments Course

YOUR FINANCIAL
NEWS

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Editor's Note

Back in the day, if one of our peers asked a question about why we were doing something and we did not feel like answering, we may have been mischievous and responded *'because y has a long tail and w doesn't have any.'* Obviously such a response was not intended to make sense but rather to end the conversation.

Today however, we can ill afford to end the conversation about why we need to relook the path on which we are travelling. The conversation must be deep and wide, encompassing diverse views and backgrounds. It must be catalysed by these simple yet transformational questions predicated on the six W's of information gathering and discovery - **Who else? What if? Where to? When else? Why not? and, How else?**

These two word-questions have historically transformed

individuals, industries, nations.

When mankind posed the question, 'Birds can fly so why not I?', an industry was born and history was made.

cities, When mankind asked the question, 'How else can we meet face to face in real time without having to travel through airports and seaports?' Go ToMeeting and other remote conference platforms were created.

What is the real cost of the OPPORTUNITY LOST OF NEVER ASKING Who Else? What If? Where To? When Else? Why Not? How Else?

We are not fooled that merely posing the question will solve our problems. Certainly, that will not be the case. In fact, our questions may lead to even more questions in our quest for discovery and enlightenment. Some of the answers may not be

easy nor the new paths straight and clear. It may be just the opposite, murky and confusing. Like the Wright brothers we will have many crashes before we soar. However, the real cost of the opportunity lost of never asking 'What if? How else?...' is just unaffordable. [SLW](#)



CEO, VhCommunications, Val Henry addressing the graduands of the ECCB Entrepreneurship Course, Cohort II, and the ECCB Savings and Investments Course, Cohort 14, St. Kitts, 13 July.

Thirty-eight persons graduated from the Entrepreneurship Course and twenty persons from the Savings and Investments Course.

Introduction:

Pursuing a business opportunity is never an easy walk in the park, but paradoxically, it is also not as difficult as we present it.

Like you, I'm a big fan of ideas. They are fantastically fun to throw out and thrash around, but making them happen is a daunting prospect; especially when you're looking for an idea that can bloom into a business.

But how do you know if your idea is strong enough to plough ahead? Or invest?

THE PURSUIT

of business opportunities

Or quit your day job? Every idea begins with a simple thought or a dream. There's certainly no science to it, but there are some things that help make the decision easier—so that when you do take the plunge, it feels less like a plunge and more like a shallow dive. However, I support the view that most great ideas begin because there is a problem. It is the desire to solve that problem that leads to the creation of a viable new business. So when you are looking for the next business opportunity, listen to what people are complaining about.

Having ideas is the easy bit. Making them happen is where the real hard work starts. Don't be afraid to share your ideas. By circulating an idea, you strengthen, build, and evolve it into a more robust thing. In short, you're increasing its chance of survival, by allowing it to adapt to feedback and input.

As a bonus, sharing also gets you in the habit of pitching and defending your idea; and the sooner you can practice conversing like an entrepreneur, the better.

Think of it carefully; most, if not all businesses are designed to solve a problem.

- ◆ An umbrella to shelter from the rain
- ◆ Glasses to read the fine print because of poor eye sight
- ◆ An answering machine to take all the missed calls and messages
- ◆ The flash light to see in the dark, etc.

MAKE

IT HAPPEN

to the finances.

There is a great myth out there that when you have your own business, you can wake up late, go to work when you feel like and leave for leisurely sojourns at will. This, my friends, is the fastest route to failure.

It is quite the opposite. Your investment in time and effort, especially in the early years, is most crucial. It is like caring for a new born baby; the first few months and years, are when your “corporate parental” responsibilities and discipline are most needed.

As a small businessman and as someone schooled in the art of mass communication, political science and marketing, I like to listen. It is from this I am able to accumulate wisdom and the next business idea to pursue.

I also like to listen because it is good to learn from others who have been there, done it, and succeeded. It was during one of those moments of listening that I got a great

Be bold

In thinking about the pursuit of your business idea, be bold and don't restrict your marketplace to the small borders of St. Kitts and Nevis. **Think big, think bold.**

There are certain ingredients that are required when we are giving consideration to the pursuit of a business opportunity.

For me, these include:

- ◆ Having a dream
- ◆ A vision
- ◆ Overcoming the fear to enter the unknown world of corporate life, as an owner
- ◆ The need to solve a problem or provide a much needed product or service
- ◆ The courage to stick to the task
- ◆ A stubborn focus on the goals and objectives to be accomplished
- ◆ Great research, to better appreciate the dynamics of the endeavour you are about to pursue
- ◆ Striving always for high standards and quality
- ◆ A focus on productivity *(It is not the amount of hours on the job, it is the amount of work accomplished.)*
- ◆ A passion for what we want to do
- ◆ Patience...Success does not come immediately; it takes time and careful planning
- ◆ Finally, the ability to separate your business from your personal affairs, especially when it comes

business lesson, as simple as it was, from a mentor of mine, Mr. Kishu Chandiramani, (or Kishu, as he is best known), the owner of RAMS group of companies, in St. Kitts and Nevis.

At the time I was Executive Director of the Hotel & Tourism Association, (HTA), and he was the President of our Board of Directors. He and I would meet every week, just to chat and keep up to date with the operations of the tourism industry and the HTA.

One day in his office, he said to me, Val, in business, always remember the five “Ms”. He said I have modeled my business operations on those 5 Ms and I would advise you to do the same.

He outlined them to be:

- ◆ Management
- ◆ Marketing
- ◆ Money
- ◆ Manpower
- ◆ Marriage, yes, marriage

Management

To pursue a business opportunity, you must be a leader, but you do not have to be the expert in every facet of the enterprise. That is why it is critical to recruit and adequately compensate the right candidate for the top management position. If that candidate is you, then you are hired. However, if you are not a good manager, do not expect great results.

Yes, as a small business, where would you get the funds to hire smart, at the top management level? True.

Think of the consequences if your business were like a ship, back in the 15th Century, with a captain trying to sail on a course that he thought was East, but not knowing he was going to the West, and instead of ending up in India, he ended up in a tropical region, far from his planned route.

Think of that captain, who, instead of admitting that he failed to reach India because he really did not know where he was going, decided to rename the place he stumbled upon, the “West” Indies.

The question is, ‘Do you want your business to have a captain that takes your financial fortunes *south* in the “Red Sea” of losses, or *North*, in the “Black Sea” of profits?’.

Though money is a challenge for all, but especially small enterprises, the principle of having the best management, must still apply.

Marketing

The heart of your business success lies in its marketing. Most aspects of your business depend on successful marketing. The overall marketing umbrella covers advertising, public relations, promotions and sales. Without marketing, your business may offer the best products or services in your industry, but none of your potential customers would know about it. Without marketing, sales may crash and companies may have to close.

For the next couple minutes I want to talk about Courage. Following

your dreams can be tough. Not only do you have to go through many years of hard work, self-doubt and pain, but also deal with the uncertainty of getting to where you want to be. It can take a lot of courage to keep going.

When I look back on the goals and dreams I've accomplished, I can see how important courage was to their success. Finding courage can give you an inner strength to continue despite setbacks and keep going even when you want to quit. The desire to quit comes mostly at month-end when the bills are facing you and the income is still too low. If you imagine persistence as the engine of success, then I see courage as its fuel.

Fortunately there are some things you can do to instill your own courage as you pursue your dreams, these tips include:

1. Realize Fear Will Never Go Away

You can't eliminate fear;

you can only control it. Fear and risk avoidance are natural functions of the brain. According to recent studies, risk aversion fully develops around age 25. So by the time you reach that age, you're less likely to do something risky such as starting a new career or business.

This is important to note since all dreams have an inherent risk to them. Any dream you have means breaking out of your comfort zone or taking a chance on an uncertain future. Part of the power of finding courage is in being able to recognize your fears and do what you need to do anyways.

2. Understand the importance of persistence

Nobody is successful overnight. Ask anyone who has reached their dream how much work they put into it and you'll hear about all the years they struggled through. Your dream will be no different. You have to think about the long term.

3. Surround yourself with people who believe in you

We all need a little encouragement sometimes. Finding people to support you in your goals can really help you find the strength to keep going. When you have self-doubt, they can remind you of your potential. They can also remind you how far you've come.

Even though a group of supportive people is helpful, the most important person that needs to believe in you, is yourself. How is anyone supposed to believe in you if you can't even do that? When you believe that you can reach your dreams, courage comes naturally.

That is why having a great relationship is important. Whether it is a formal marriage or simply a "boyfriend or girlfriend" it is crucial to have a stable home and calmed heart.

4. Ignore doubters

There will always be people that will doubt your ability to reach your goals. They might think you're not talented enough or lucky enough to succeed. It's

important to ignore their comments and continue towards your dream.

Depending on how negative they are, you might need to limit your contact with them. It already takes a lot of hard work and belief in yourself to get where you want to be; you don't need someone filling your mind with doubts.

5. Understand the role of failure

The role of failure and success are often misunderstood. Most of the time, you can't have one without the other. This idea goes along with persistence in that you can't succeed in the pursuit of your dreams right away. Dealing with failure is inevitable.

But failure is actually an important step on your way to reaching your dreams. It's a great learning opportunity to figure out

what went right or wrong so you can take a different approach next time. This feedback is invaluable.

6. Find value in challenges

It's no secret that reaching your dreams will mean overcoming challenges. How you view the challenges you face can seriously affect the amount of courage you have. If you look at them negatively, you'll naturally try to avoid them. All avoiding them do is make the challenges more difficult.

Find value in the challenges you face. If you value challenges, it will be easier to face them.

7. Finding the Courage

Chasing your dreams can be difficult. I've been experiencing that difficulty firsthand as I manage my marketing company, VhCommunications and my online media company, MiyVue.com.

Over the past two years, I've

had to deal with almost every one of the issues of which I have spoken. Believe me, it's been a long struggle. But no matter what comes my way, I still find the courage to continue. However, I must admit that finding that courage has been really helpful in the pursuit of my dreams.

So, in closing as you look ahead to the future, I am hopeful that these tips will give you the courage to pursue your own dreams and overcome the mountain of challenges that will confront you. Remember, even though it can be hard, there are at least some things you can do to make that dream a reality.

Again I admonish you that an idea is just an idea until it is written down in a plan and transported into reality.

OCTOBER IS FINANCIAL INFORMATION MONTH IN THE EASTERN CARIBBEAN CURRENCY UNION

An Era of Institutional Reliance is Ending An Era of Self-Reliance Has Begun

"If the vast majority of Grenadians are not informed and not educated, opportunities will be lost to ignorance."

For decades, different subject today. But Grenadians we know we don't have that w e r e luxury.

conservative

s a v e r s

focused on face as well as I do.

keeping Grenadians lack the basic

money in saving and investing

b a n k information they need to

accounts and prepare for retirement or to

maintaining life insurance. meet other financial goals.

More than half of all

Grenadians have never even

tried to figure how much

money they'll need to save

for retirement. Too many

people don't know how to

assess the risks of different

financial products. Too

many people don't know

how to choose an

investment, or where to turn

for help.

Is there any doubt that we

are in the midst of a financial

literacy crisis? Eleven years

ago the ECCB launched this

savings and investment

course. The Goal is to

motivate Grenadians to get

talking about a completely

maintaining life insurance.

The responsibility for investment decisions was in someone else's hands but that's no longer true.

The way and where Grenadians save and invest has enormous implications for our economy and our society. The plain truth is that there is an unacceptably wide gap between financial knowledge and financial responsibilities.

If every grown man and woman in this country knew the fundamentals of saving and investing, we might be talking about a completely

Is there any doubt that we are in the midst of a financial literacy crisis? Eleven years ago the ECCB launched this savings and investment course. The Goal is to motivate Grenadians to get

Grenada



Mr Marus Purcell, Marketing Officer, Grenada Union of Teachers Credit Union Ltd. addressing the graduands of the ECCB Savings and Investments Course, Cohort 13, Grenada, 18 July.

Thirty-one persons graduated from the course.

It is a great pleasure to be with you all today. This Graduation – and more importantly, your efforts to be better informed Savers and Investors – recognise one undeniable truth of our time: an era of institutional reliance is ending; an era of self-reliance has begun.

Today, more and more of us are taking responsibility for our own retirement needs. In the process, savings and investment habits have been dramatically transformed.

the facts they need to achieve financial security and avoid costly mistakes like the ones made in SGL Holdings and Capital Bank International.

This course is not only about improving investor knowledge. That's half the battle, Shouldn't it be incumbent upon every one of us to get across to all Grenadian – from every income level – that saving early and investing over the long-term is not only smart and sound, but increasingly necessary?

Shouldn't a lower-wage worker hear the importance of saving and investing just as often as a banker? Shouldn't a farmer know how much he or she needs to save to retire comfortably? I realize I'm preaching to the converted. I fear that the range of investment options are very limited in the Eastern Caribbean.

Together, we need to give people the tools to ask the right questions and get the right answers. How do we do it? I think there are three things we should do:

First, has anyone here heard about the importance of saving from either listening to the radio or watching T.V.? We've all heard the important warning that "friends don't let friends drive drunk." We never hear that "friends don't let friends squander their financial future." We should hear that message on the radio and T.V.

Second, companies should take a greater role in teaching their workers about money. Employers that provide financial literacy programs are more than repaid through higher worker morale, greater productivity, and lower employee turnover.

Third, I applaud the efforts of Grenadian Union of Teachers Credit Union to expand financial literacy among the young ones of this nation.

From August 16 to 22, they will engage the young ones in classrooms across the country to get them excited about saving for tomorrow. Let's not graduate one more generation that hasn't learned the financial facts of life.

Today, we stand at what may be a defining moment in your financial decision making. This may someday be described as the era of democratisation of Grenada's finances. If the vast majority of Grenadians are not informed and not educated, opportunities will be lost to ignorance.

We don't have a second to waste. The time to act is now. If you sense some urgency in my voice, it's for good reason. Whatever may happen, one thing is certain: the face of our financial system is changing and will continue to change. Years ago, the problem was a lack of information; today, it is a glut of information.

We all have a unique opportunity before us: to help generations of Grenadians make the most of their God-given potential.

Whether one person actively saves and invests or another fails to put away one penny, they both, fundamentally, share the same goals.

Who would argue that every Grenadian worker doesn't want to retire comfortably? Who would argue that a parent doesn't want to be able to send their child to university? Who would argue

that any person doesn't want to provide the health and security every family deserves? No one would.

Most people invest and save for a very simple, but immeasurably important reason: to safeguard their retirement years, the futures of their children and their children's children.

Every branch of knowledge has its own contributions that made a turning point in the historical lanes of human beings. In mechanics it is the wheel, in

science it is fire. In political science it is the vote and in economics it is money.

I say to you money is the queen among all these fundamental discoveries. Because it is anything that is generally acceptable as a means of exchange and that at the same time acts as a store of value. So there is no question in the fact that **money is important and money does matter. So save and invest it wisely.**



Some of the graduates share in a photo moment. Also in the photo are Mrs Linda Felix-Berkeley, Resident Representative, ECCB Agency Office, Mrs Valene-Streete Victor, Administrative Professional, ECCB Agency Office, and two of the course facilitators - Mrs Abiola-Streete, Project & Programme Coordinator, European Development Fund Support Services Unit, Ministry of Finance, Mr Niguel Streete, Deputy Executive Director, Grenada Authority for the Regulation of Financial Institutions (GARFIN)