

LEARNING BY EARNING

Ever was thrilled. He couldn't believe it...he kept reaching into his pocket to see if the money was still there - and it was. The bills in his pocket were worn and dirty, like they had passed through thousands of hands...**but they were all his**: 150,000 guaranies, or the equivalent of US\$ 33, earned through his own effort. To spend how **he** pleased. He kept turning around in his mind what he would do with his money...he would buy a new doll for his little sister...or would he take his mom to the dentist? His marketing teacher had told him he should always save 10% of whatever he makes... It was the first time he had had that much money in his pocket, and he was now a man with options - and he loved the feeling...



Ever sells yogurt to one of his faithful clients

Seventeen year old Ever's story started out like most students at the San Francisco Agricultural School in Paraguay. Coming from a poor rural family, Ever had arrived at the boarding school at the age of 16, with a little bag which contained all of his worldly possessions, ready to spend the next three years immersed in what Fundacion Paraguaya refers to as its "Learning by Doing Methodology". His dream was to have a different type of life from that of his parents - a life where he could earn a decent income and live with dignity.

The Learning-by-Doing methodology at the San Francisco School combines work in the fields, vegetable gardens, milking stations, cheese factory, and the school's rural hotel with traditional classroom learning (official Ministry of Education technical-vocational curriculum). Its goal is to transform young rural peasants into self-reliant rural entrepreneurs through quality education with an emphasis on business skills, and offers a double high school degree in agriculture and tourism/hospitality. **What makes this school remarkably different from other agricultural high schools around the world, however, is that it sells its production and services to cover 100% of its financial needs (an annual budget of US\$ 300.000).** It is part of a unique movement in the world that offers "quality education for the poor that pays for itself". Although developed in Paraguay, the movement has spread worldwide, through the efforts of Teach A Man to Fish (www.teachamantofish.org.uk) an organization dedicated to promoting and supporting this model throughout the world with 2000 members from 119 countries.

The objective of the school is to guide students to break out of the cycle of poverty their families are immersed in, and move up into the middle class and beyond. Under this model, the fate of poor youth in developing countries is no longer chained to the will or ability of governments to subsidize their educations (and a usually a poor education at that). With this model poor youth can lift themselves out of poverty, **and pay for it by themselves** by producing goods and services that are sold to cover all of the expenses of their school - teachers' salaries, cafeteria food, school

supplies - everything, even depreciation of the school buildings. And along the way, students learn how to put money into their pockets for the first time.

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After receiving the San Francisco School in a state of bankruptcy in January of 2003, Fundacion Paraguaya set on turning it around. Intent on become financially self-sufficient to avoid being dependent on unreliable government subsidies, by 2007 the school reached financial self-sufficiency and hasn't looked back. In December 2010, the school met its sales targets for the fourth straight year, ensuring its continued financial self-sufficiency.

But apart from reaching its financial goals, **something new and wonderful happened at the San Francisco School in 2010** - it added a new dimension to the Learning-by-Doing methodology: as an integral part of the curriculum, students would "hit the pavement" (in this case, dusty dirt roads) and **learn how to sell** door-to-door the products they produced. Up until this time, products and services of the school had been mainly sold by the school director, who had delivered the products to local supermarkets. Now the idea was to skip the middle man and sell at higher prices directly to the final consumer. By doing this students not only increased income streams for the school, but more importantly, learned the crucial skill of how to sell, unlocking a wealth of opportunities for themselves and opening the door to self-reliance.

The new mantra at the San Francisco School has become Learning - **and Earning** - by Doing.

How does it work? Twice a week students load up the school truck with the weekly production of vegetables, fruits, and dairy products. Then they pile into the truck themselves for the ride to a nearby town. Once in town, students get out of the bus in pairs, each pair with \$100 worth of merchandise. Students then go door to door selling the products, and earn a commission of 10 percent on sales.



Loading the truck to go to town...

Why is learning to sell so important? Because whether we realize it or not, we are all salesmen in our professional and personal lives, and the better we are at it, the more successful we will be in both areas. **But for a poor rural youth in a developing country, learning how to sell is crucial, because if you willing and able to sell, you will never be without a job**, regardless of whether you work for yourself or someone else. And the problem in developing countries is that there are no jobs. If you know how to sell, however, you have created your own job.

Very hesitant and timid about selling, the San Francisco students at first reluctantly boarded the school bus on "sales days", dragging their feet from house to house offering the school's products. After several days of selling, however, they started to see their commissions pile up. The whole dynamic of the school changed. Now they eagerly await their turn to be able to sell, excitedly adding up their earnings. Some students even prefer to stay on campus during the entire summer

break when their fellow "salesmen" are on vacation, so they can reel in the lion's share of commission for themselves.



Students selling dairy products door to door

So how does the Learning-by-Earning method work? First students are trained in sales skills in a marketing class. This includes "role play", memorizing sales scripts, practicing how to get beyond an initial "no", how to handle rejection, and different sales techniques. Then they go to town and start selling. After each sales session there is a debriefing, where students share their experiences, both good and bad. Here is one experience shared by 18 year old Abraham:

*On one of our first sales visits to town, at one house they wanted to buy 10 trays of eggs - 300 eggs! I got back to the school as soon as I could to pick up the eggs. I was so excited thinking about the commission on this sale. And for sure I was going to win the prize for most sales that week. But I was so excited that when I got back into town, for the life of me I couldn't find the house again! I spent an hour going around in circles lugging 10 heavy trays of eggs, trying not to break any, looking for the house, but I couldn't find it! I never did find it again...I learned that day that I must have a system...I need to write down the information about my clients.*

What do San Francisco students report they have learned through direct sales?

- ✓ " I learned how to overcome my fear of failure". Florencia, age 17.
- ✓ " Even poor clients want top quality - they don't want dirty eggs!" Maria-Cristina, age 19.
- ✓ " I learned how to overcome my fear of rejection." Freddy, age 18.
- ✓ "I can do this!" Rocío, age 18.
- ✓ "I sell more if I build a relationship with my clients. " Belén, age 18.
- ✓ "Selling is fun!" Ronald, age 19. (his clients have nicknamed him "Carrot" after the goods he peddles.)
- ✓ "I like the feeling of making money". Derlis, age 18.

What else do the students learn with this new methodology, according to the school staff?

- ✓ They learn how to get out of their comfort zone and grow
- ✓ They learn how to overcome the extreme shyness that seems to part and parcel of a rural upbringing
- ✓ They learn they have the potential to be self reliant
- ✓ They learn that daily sales targets are crucial
- ✓ They learn that it feels good to have cash in one's pocket

- ✓ They learn how to take care of their clients
- ✓ They learn that with each "no" they get closer to their next sale, just by the law of probabilities...
- ✓ They learn to sell on the merits of their products, instead of appealing emotionally to their clients for a hand-out

The "Learning-By-Earning" methodology has changed the whole dynamic of the school. Students have mentally "closed the circle" - they understand now that success is not just learning how to produce something - it is about being able to sell it at a price that makes the effort worth it. It is about understanding what clients want to buy and then producing it.

Ever and his classmates are polishing a life-long skill - effective selling - which has opened up their minds, as well as a world of opportunities. Unlike 70% of Paraguayan youth under the age of 21, Ever will never be unemployed...because he knows how to sell.



Students eager to start their sales day

For the "Schools for the Poor that Pay for Themselves" movement, the incorporation of direct sales by students has taken this innovative model to a new level - not only do students receive a quality education at no cost to their parents, but they pay for it with their own work, while guaranteeing financial self-sufficiency for their school. And they leave school with money in their pocket, real-life sales experience, and skills which guarantee that they have permanently moved themselves out of poverty.