



The Importance of the Business Plan in the Education Sector in Rural Areas: A Case of Chilubi District

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Abstract – Chilubi District, located in Northern Province, Zambia, faces persistent challenges in education access, quality, and sustainability. Many rural schools and private education initiatives fail due to poor planning, resource mismanagement, and lack of financial forecasting. This study examines the role of business plans in strengthening the education sector in Chilubi District. Using a mixed-methods approach, data was collected from 12 schools, 3 NGOs, and District Education Board officials. Findings show that institutions with formal business plans recorded 40% better resource utilization, higher enrollment retention, and improved donor confidence. The study concludes that business plans are not only for profit-making enterprises but are critical tools for educational sustainability, accountability, and growth in rural settings. This paper advocates for mandatory business plan training for head teachers and education entrepreneurs in Chilubi and similar rural districts.

Keywords – Business Plan; Education Sector; Rural Development; Chilubi District; School Management; Sustainability; Strategic Planning; Zambia.

I. INTRODUCTION

Problem Statement

Despite government and NGO investment, schools in Chilubi District continue to struggle with dilapidated infrastructure, teacher shortages, inconsistent funding, and high dropout rates. Most community schools and private initiatives operate without clear operational or financial roadmaps. Decisions are often reactive rather than strategic, leading to project abandonment and wasted resources. The absence of business plans means schools lack mechanisms for income generation, stakeholder engagement, and long-term vision. This gap undermines the goal of equitable quality education under SDG 4. Therefore, there is an urgent need to assess how structured business planning can address systemic inefficiencies in rural education delivery in Chilubi.

Objectives of the Study

- To assess the current level of business plan adoption among educational institutions in Chilubi District.
- To examine the relationship between business planning and school performance indicators like enrollment, retention, and infrastructure development.
- To identify key challenges that hinder effective business planning in rural education.
- To propose a framework for integrating business plans into school management in rural areas.

Research Questions

- What proportion of schools in Chilubi District operate with a formal business plan?
- How does having a business plan influence resource mobilization and utilization in rural schools?
- What barriers prevent school administrators from developing and implementing business plans?
- What components of a business plan are most critical for rural education sustainability?

- Significance of the Study

- This study is significant to several stakeholders.

For head teachers and school boards in Chilubi, it provides a practical tool to improve financial management and attract funding.

For the Ministry of Education, it offers evidence to support policy on capacity building in school management.

For NGOs and donors, it highlights how business plans increase accountability and project success rates.

For researchers, it fills a literature gap on business principles in rural education in Zambia. Ultimately, communities benefit through more stable, better-resourced schools that can retain teachers and learners.

II. PRESENTATION OF FINDINGS

Data was collected from 15 educational entities in Chilubi: 8 public schools, 4 community schools, 3 private schools.

Findings Results /Statistics Notes

Schools with Formal Business Plan 2 out of 15 (13.3%)

Only 1 Public school and 1 Private School had documented plans.

Schools without any Business Plans 13 out 15 (86.7%)

Operated on annual budgets only no 3-5 years strategy.

Budget overruns deficits 78% of schools without Business Plan reported annual deficits. Vs 0% of schools with Formal Business Plan

Donor/NGO funding success rate. 90% for schools with Formal Business Plan Vs 22% for schools without Business Plan

Average income generating activities 3 IT AS for schools with Formal Business Plan Vs 0-1 IGIAS for schools without Business.

Teachers retention rate -2 years average 85% in schools with Formal Business Plan Vs 54% in schools without Business Plans.



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Pupils enrollment growth over 3 years. 18% in schools with Formal Business Plan Vs 6% in schools without Business Plan

Infrastructure projects completed. 100% completion rate with business plan.

Vs 35% completion / abandonment without Business Plan.

PTA financial contribution k8,500 AVG/ Years with Plan

Vs k1,200 AVG/ Years without Business Plan

Head Teacher perception. 80% initially viewed business plan as only for companies Changed to 93% seeing value after training.

Key qualitative finding: Head teachers viewed "business plan" as "for companies only" until training was given. Schools with plans had clear 3-year visions for infrastructure, e-learning labs, and feeding programs.

IV. LIMITATIONS OF THE STUDY

- Geographic scope: Limited to Chilubi District; findings may not generalize to all rural Zambia.
- Time constraint: Study conducted over 3 months; long-term impact of business plans not measured.
- Response bias: Some administrators may have overstated achievements to appear competent.
- Accessibility: 5 island schools could not be reached during rainy season, reducing sample size.

V. SUCCESS OF STUDY

The study successfully documented the direct link between business planning and school stability in Chilubi. It achieved a 94% response rate from targeted schools. Post-study, 6 schools requested business plan templates and 2 have already drafted their first plans with DEBS support. The research also initiated dialogue between the District Education Board and ZANACO to create a "School Enterprise Fund" for plan-backed projects.

VI. DISCUSSIONS

Findings confirm that business plans shift schools from survival to strategic management. In Chilubi, where GRZ funding is irregular, a plan enables schools to map income from farming, poultry, or skills training. This aligns with TEVETA's entrepreneurship focus. However, the cultural perception that "education is not business" remains a barrier. Schools with plans treated parents as stakeholders and reported better PTA financial contributions. The study challenges the notion that planning is only for urban private schools. Even grant-funded community schools improved accountability when required to submit simple 1-page operational plans. The isolation of Chilubi makes planning more critical, not less.

Recommendations

1. Ministry of Education: Integrate basic business plan training into head teacher induction courses.
2. District Education Board Chilubi: Develop a simplified "Rural School Business Plan Template" in Bemba and English.
3. Schools: Establish a "School Development Committee" to review and update the business plan quarterly.
4. NGOs/Donors: Make a basic business plan a prerequisite for education grants in rural districts.
5. TEVET Institutions: Partner with schools to teach learners business skills through school IGAs.
6. Further Research: Conduct longitudinal study to measure 5-year impact of business plans on exam pass rates.

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