



Handbook for Entrepreneurs and Training Curriculum



Co-funded by the
Erasmus+ Programme
of the European Union

Project Nr: 2017-1-RO01_KA202-037219

DEVELOPED BY THE MULTI-ENT PROJECT CONSORTIUM

=====
This publication reflects the views of the authors and the Commission cannot be held responsible for any use which may be made of the information contained therein.
=====

Handbook Objectives

The handbook for entrepreneurs is the result of the work of the partners in the project entitled "MultiENT-Coach", co-funded by the ERASMUS+ KA2 Strategic Partnerships for VET Programme, under the contract number: 2017-1-RO01-KA 202-037219.

This handbook has as its main objectives:

- to help new entrepreneurs to have a comprehensive and current perspective of the business development process
- to understand and evaluate objectively the different business stages
- to have an overview and understand the importance of developing the needed soft skills for developing the entrepreneurship competence
- to have available and implement a number of practical, current and on-hand exercises for developing the soft skills needed
- to develop a more balanced entrepreneurial personality and mindset
- to provide best practices from an international team of consultants and experts on entrepreneurship and start-ups.

The project MultiENT Coach was proposed for EU funding following the identification of specific needs by the partners when offering consultancy services to new entrepreneurs. Partners involved in MultiENT Coach feel that fostering entrepreneurship can be an important mean to mitigate societal problems, foster economic growth and develop the capacity to cope with change in their societies. This is in line with political priorities in all of the EU partner countries. However, current practices of support for business development have failed by being too oriented to individuals with an academic outlook. Even here current practices do not overcome the theory-practice gap. A more practical and pragmatic approach is needed, including face-to-face support and coaching. All partners had already developed critical components for such a concept at regional/local level, but did not have the necessary resources and knowledge of other current good practices on a European and international level, to develop and test a more comprehensive and innovative concept.

The partnership of the project is the following:

- Foundation for Promoting SMEs Brasov, Romania,
- Institut für sozialwissenschaftliche Beratung GmbH, Regensburg, Germany
- GrantXpert Consulting Ltd Nicosia, Cyprus
- PIA, informacijski sistemi in storitve d.o.o., Velenje, Slovenia
- Storytelle, Unipessoal Lda, Lisbon, Portugal.

The aim of the project is to create a sustainable structure for developing entrepreneurial competencies for SMEs with less than 5 years of business activity, from various sectors, including production, crafts, services or ICT and for developing continuing support through trained coaches. To this end, the project will study the current practices of continuing face to face business development support structures and will apply the best practices identified as well as partners' own knowledge and experiences in synthesising a transferable model of such structures. 20 coaches will be trained for sustainable business founder support, 40 young founders will be involved in our training programme and coached. Following the feedback received from these young founders, a sustainable support platform will be built online.

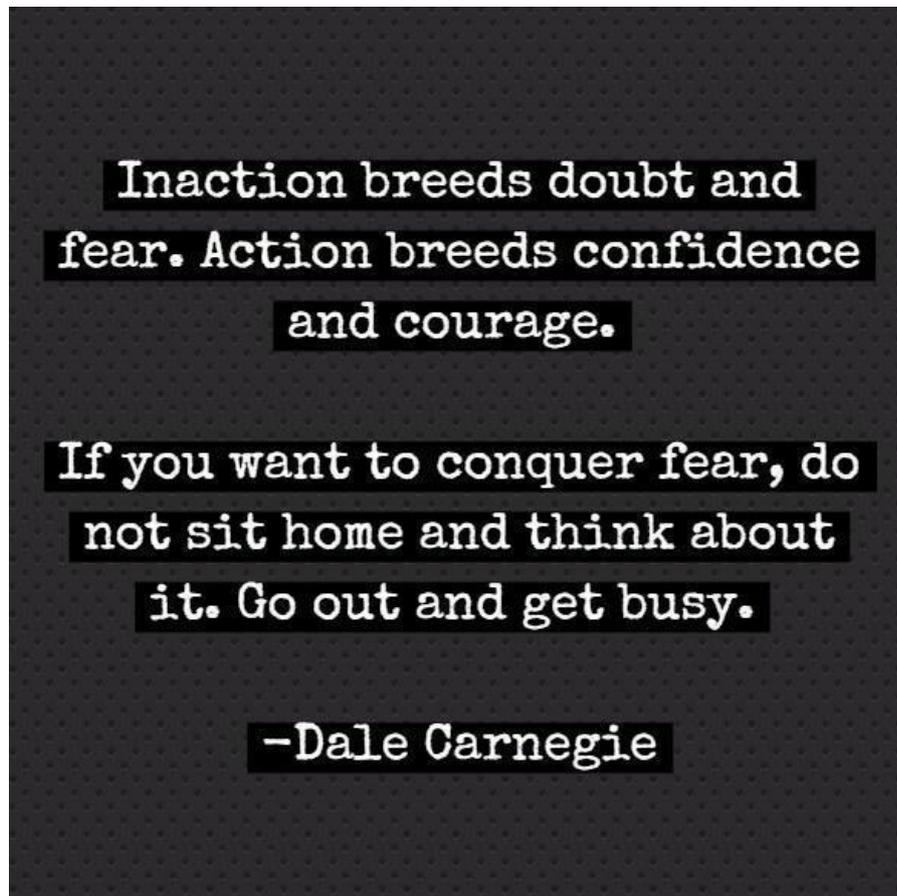
The project focuses on specific aspects of soft skills necessary in the process of developing the entrepreneurial competence. For the beneficiaries of the project (owners/managers of SMEs with less than 5-years of entrepreneurial experience), the outcomes of the project (a handbook for entrepreneurs, training, online assistance, assistance for developing the soft skills) are a starting point of the entrepreneurial journey. The learning process can be followed through the participation in other projects that focus on entrepreneurship, other training or activities developed by Chambers of Commerce or private companies.

TABLE OF CONTENTS

① SELF-ASSESSMENT OF ENTREPRENEURIAL COMPETENCES	7
② SOFT SKILLS FOR A SUCCESSFUL ENTREPRENEUR.....	13
A. PREPARATION STAGE - A MOTIVATIONAL ATTITUDE.....	13
VISION - ABILITY OF CREATIVE IMAGINATION.....	13
RISK ASSUMING - OVERCOMING FEAR OF FAILURE	15
PASSION - MAKING VALUE WITH YOUR BUSINESS.....	20
LEARNING - CONSTANT READING HABIT	22
B. SETTING UP YOUR BUSINESS STAGE.....	25
ABILITY TO RECOGNISE OPPORTUNITY.....	25
CREATIVITY - UNLOCK YOUR PASSION AND POTENTIAL	29
INFLUENCING OTHERS - BUILD DIGITAL IDENTITY AND BECOME INFLUENCER	31
PITCHING - ABILITY TO MAKE A 20-SECOND PRESENTATION OF WHAT YOU ARE DOING	34
PERSISTENCE - NEVER STOP DEVELOPING YOUR BUSINESS	38
C. NEW BUSINESS STAGE SKILLS	41
MOBILISING RESOURCES - OUTSOURCING AND SHARING ECONOMY	41
PROBLEM-SOLVING SKILLS.....	43
ANALYSIS - ABILITY TO BUILD YOUR ANALYTICAL SKILLS	46
ABILITY TO FOCUS ON YOUR BUYER WHEN DEVELOPING PRODUCT OR SERVICE	50
COMPETITION - ABILITY TO KEEP A CLOSE EYE ON YOUR COMPETITORS.....	54
PLANNING-ABILITY TO PLAN YOUR ROADMAP	56
GOING DIGITAL - AND ONLINE	58
③ IDEA GENERATION AND TESTING OF THE IDEA.....	61
IDENTIFY A TARGET MARKET.....	66
DEFINE YOUR COMPETITION.....	66
FINANCIAL FEASIBILITY OF YOUR STARTUP	66
HOW MANY CUSTOMERS DO WE NEED?	68
④ IDENTIFYING REAL MARKET NEEDS AND GAPS & DEVELOPING YOUR VALUE PROPOSITION.....	70
⑤ BUILDING A WINNING TEAM THAT WILL LEAD TO COMPANY GROWTH	74
⑥ SWOT ANALYSIS	80

⑦ BUSINESS MODEL CANVAS AND LEAN START-UP METHODOLOGY.....	84
⑧ MARKETING AND COMMERCIALISATION PLAN.....	90
⑨ SUPPORT STRUCTURES FOR NEW BUSINESSES.....	95
⑩ NATIONAL AND EU FUNDING PROGRAMMES	110
CONCLUSION.....	120

① Self-assessment of entrepreneurial competences



Description

Entrepreneurs have many different profiles. They come from a wide range of backgrounds and age groups, and they have diverse experiences and skill sets. Entrepreneurs are usually driven to become entrepreneurs by the prospect of building wealth, capitalizing on a business idea, owning their own company, and desiring not to work for others.

Entrepreneurs are those with the skills and capabilities to see and evaluate business opportunities. They are individuals who can strategically identify market gaps and unmet needs, (e.g. products or services needed by the community), and have the capacity to deliver them at the right time and at the right place and price.

Entrepreneurs are agents of economic change; they organize, manage and assume risks of a business. Some of the good qualities of entrepreneurs are: opportunity-seeker, risk-taker, goal-setter, excellent planner, confident problem-solver, hardworking, persistent and committed.

Entrepreneurship, on the other hand, is not just a simple business activity, but a strategic process of innovation and new product creation. Basically, entrepreneurship is both an art and science of converting business ideas into marketable products or services to improve the quality of living.

Entrepreneurial competencies refer to the important characteristics that should be possessed by an individual in order to perform entrepreneurial functions effectively. In this module, you will learn some of the most important characteristics, attributes, lifestyle, skills and traits of a successful entrepreneur. Personal effectiveness competencies are particularly important for entrepreneurial success, as entrepreneurs do not have a manager or supervisor to assist with the development of these abilities. According to the **Entrepreneurial Competency Model**, designed by the Consortium for Entrepreneurial Education (<http://www.entre-ed.org/>), there are **six core** personal effectiveness competencies.

- **Interpersonal skills:** An entrepreneur with strong interpersonal skills has a knack for working well with people from diverse backgrounds. These entrepreneurs are very insightful with regards to the behavior of others – understanding motives and actions, quickly aware of strained relationships, and well attuned to both verbal and nonverbal behaviors.
- **Strong initiative:** Entrepreneurs with high initiative are often driven to work hard. These entrepreneurs frequently work independently and are often driven to achieve task mastery, regardless of the extra effort necessary to do so. Entrepreneurs with strong initiative set specific, time bound, challenging goals. These entrepreneurs are often very confident in their capabilities to perform well and enjoy seeking out novel opportunities.
- **Ambition:** Ambitious entrepreneurs are motivated, persistent, and persevere even in the face of difficult challenges. These entrepreneurs are patient and persistent, passionate and driven. They embrace new challenges while striving to exceed set expectations and standards.
- **Adaptability & flexibility:** Entrepreneurs who are highly flexible and adaptable often deal very well with ambiguity and have a unique ability to choose actions even without all necessary information. These types of entrepreneurs are innovative and creative, often developing novel solutions to complex problems. They handle change well, often generating new goals and actions to deal with unforeseen events.
- **Willingness to take risks:** Not only are successful entrepreneurs willing to take risks, they are also capable of identifying and calculating risk assessments. They are typically skilled at developing alternative plans and articulating worst-case scenarios. These types of entrepreneurs take calculated risks, and learn from past mistakes.

- **Willingness to learn:** An entrepreneur with a strong willingness to learn often pursues opportunities that allow him or her to acquire new skills and expertise. These entrepreneurs initiate personal career development and often employ the feedback of others to help them make shrewd career decisions.

Additionally, **Motivation** is defined as “an inner force that drives individuals to accomplish personal and organizational goals”. A person’s motivation influences their decisions, and therefore plays a key role in predicting which entrepreneurs will pursue successful opportunities. Motivations have been found to help entrepreneurs develop the knowledge, skills, and abilities necessary to be successful. Below you can find a review of common motives found to predict success:

Need for achievement: maintaining high standards and aspiring to accomplish difficult tasks. People with a high need for achievement take responsibility for outcomes, engage in activities that have a moderate degree of risk and require skill and effort. This motive has also been found to predict firm founding and the successful performance of firms.

Locus of control: the degree to which a person believes that their actions can directly affect an event, or that they can control an outcome.

TASK SPECIFIC MOTIVATIONS:

Goal setting: Entrepreneurs who are motivated to set goals, particularly business growth goals, have been found to increase firm growth, along with firm performance and innovation. Challenging goals of all types have repeatedly been found to lead to greater performance, highlighting the importance of setting goals that are specific, attainable, and time-bound.

Self-efficacy: a person’s belief in their own ability, in other words, their task-specific self-confidence. Entrepreneurs with high self-efficacy will persist even in the face of setbacks, will take negative feedback more positively, will use feedback to improve their performance, will set more difficult goals, and will exert more effort over a longer period of time. Researchers have found that when entrepreneurs have high self-efficacy, that there is a strong relationship between this motivation and firm growth.

- **Supporting evidence and practices**

The Kauffman Foundation has identified, through extensive survey research, several demographic characteristics common among effective entrepreneurs. While entrepreneurial demographics do not relate strictly to competencies, this information is useful for prospective entrepreneurs seeking to learn more about how their backgrounds compare to successful venturists. While extensive information regarding these findings can be accessed on the Kauffman Foundation’s website (<http://www.kauffman.org/>), a brief review of the basic demographic characteristics found to be common amongst entrepreneurs will be presented here.

- **Passion:** is a core characteristic of creators of wealth and a central trait inherent in successful leaders. Entrepreneurs high in passion confront opportunities and challenges with zeal, ride out the long hours necessary during venture growth phases.
- **Proactivity:** is the propensity to take action to influence environmental change. Entrepreneurs with this personality type typically “scan for opportunities, show initiative, take action, and persevere until they reach closure by bringing about change.
- **Tenacity:** more commonly known as **perseverance**, involves sustaining goal-directed action and energy even when faced with obstacles.
- **New Resource Skill:** is the ability to acquire and systematize the operating resources needed to start and grow a new venture.

A. The **General Enterprising Tendency** Test www.get2test.net is a tool for reflection, which will help you to identify 5 characteristics that ought to underpin enterprising behaviour: Need for Achievement; Need for Autonomy; Creative Tendency; Calculated Risk; Locus of Control. The test will ask you to:

- Think about if entrepreneurship is for you
- Consider how you can improve your weaknesses
- And draw on your strengths

GET2TEST is not a scientific test, it is a development tool. At the end, an overall score will be given to you. In case you have a low score you will have to find out the reason why and maybe your tutor can help you on this; in case you have a high score then you may need to start thinking about the entrepreneurial path more seriously.

B. We have identified 12 elements of leadership mindset which we believe is vital to reach the highest levels of effectiveness as a leader. Ask a friend or colleague who knows you well to score you out of five in each of the 12 elements of the leadership mindset in relation to your current job. It is important that somebody else scores you as they will give you an objective and honest answer on how they see you. The key here is not to necessarily get the highest score, but to get the most honest answers.

The **Assessing Leadership Mindset** test will challenge your self-perception against the 12 mindset characteristics. Often the way people think of themselves and the way they are perceived by others can be very different – sometimes people are over-optimistic and often pessimistic. This test will help you notice where you have strengths and weaknesses, but more importantly identify the two or three big differences to your rater/s, helping you explore the basis of these differences.

	Other persons score out of 10	Your comments and Actions	How you score yourself out of 10
Passion			
Self-Belief			
Desire, and Drive determination			
Courage			
Vision			
Focus			
Hard work and self-discipline			
Optimism			
Wisdom & common sense			
Opportunism			
Judgment & Risk			
Persistence			

Books

Matthew Checkley's: *Insiders' Secrets to the Perfect Pitch for Investment: The Definitive 17-Step Entrepreneurs' Guide to a Successful Presentation to Investors*. Kindle Version.

There is a self - assessment test in the book which provides a useful resource for developing the entrepreneurial mind-set.

Additional resources and links

Entrepreneurial Skills: https://www.mindtools.com/pages/article/newCDV_76.htm

Durham University's 'GET' test [GET = General Enterprise Tendency test, by Sally Caird
(www.get2test.net)

Impact for Life Leadership Workbook (2008) Leadership Exercise, Mindset Questionnaire and Animal Quiz

Lois Frenkel: Are You Entrepreneurial? Quiz (Hard Copy)

Tidd, J. & Bessant, J. (2011) Innovation and Entrepreneurship, Wiley Publishing

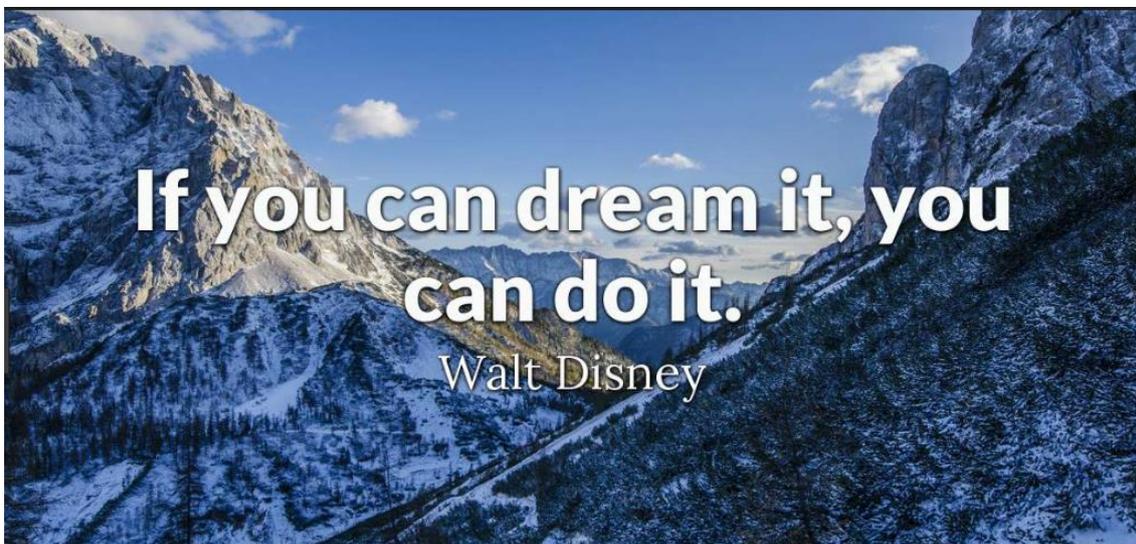
Impact for Life Leadership Workbook (2008) Maximising Communication/ Animal Game/Leadership Style Questionnaire

Tidd, J. & Bessant, J. (2011) *Innovation and Entrepreneurship*, Wiley Publishing

② Soft skills for a successful entrepreneur

A. Preparation stage - a motivational attitude

Vision - Ability of creative imagination



Description of the skill

Creative imagination and goal visualisation is where it all begins if you want to increase the probability of reaching your goals. All top performers, regardless of profession, know the importance of picturing themselves succeeding in their minds before they actually do it in reality. Boxing legend Muhammad Ali was always stressing the importance of seeing himself victorious long before the actual fight. As a struggling young actor, Jim Carrey used to picture himself being the greatest actor in the world. These top performers, among many others, have mastered the technique of positive visualisation and openly credit it as a success tactic.

We used to refer to this method as careful planning, but planning starts where you have all needed information for mathematical precision of the plan. Here, you are allowing your creativity mind to express what you want to become, how will feel when you will have your goal achieved, how this endeavour will change the life of your customers.

By having the ability to visualise your goals, you achieve the following important aspects:

It teaches your brain to recognise what resources it will need to help you succeed in reaching your goals.

It creates an inner motivation to strive for your goals and dreams

It promotes positive thinking, which will help you to stay on track to be successful in the long run.

Creative imagination also means to give up your bad habit of complaining, especially about money, expenses and not having enough of it. This makes you slow and prevents you to step further into your endeavours. Complaining also implies you are not doing anything about it. There is no action connected to it, it is just a destroyer of your vision. Whenever you catch yourself complaining, go back to your vision and let it sit into your feelings.

Supporting evidence and practices

The imaging process is well researched and supported by evidence. Personal thoughts about the future can influence their current feelings, motives and behaviours, and thus, social psychologists have a long-standing interest in how people imagine upcoming events (Johnson & Sherman, 1990; Ross & Buehler, 2001). An important fact that has guided decades of research is that imagining the desired future might increase one's motivation and effort to attain it. People who can visualise their goal seem more successful in achieving it, according to the new research. "The easier a goal is to see, the closer it seems," said R. Bagchi, assistant professor of marketing in the Pamplin College of Business at Virginia Tech.

One of the first books about financial independence and creation of wealth, Think and Grow Rich, is characterised as "one of the most influential business books of all time", and was written by a self – made millionaire, Napoleon Hill. This book is so important for businessmen that it was sold in more than 100 million copies. Napoleon state in chapter 2: *"All thoughts, which have been emotionalised (given feeling) and mixed with faith, begin immediately to translate themselves into their physical equivalent or counterpart"*. With other words - you need to see what you want to achieve and you need to believe in this vision - this is the power of creative imagination.

Books

Mindset for Success: Visualizing and Achieving Your Goals, Omar Periou-
<https://www.amazon.com/Mindset-Success-Visualizing-Achieving-Goals/dp/1441736174>

Think and Grow Rich, Napoleon Hill -
<https://www.goodreads.com/book/show/30186948-think-and-grow-rich>

Additional resources and links

<https://medium.com/to-the-next-level/the-magic-of-visualization-en-590428b0bc83>

<https://www.moneysmartguides.com/power-visualizing-your-goals>

<https://medium.com/@ErthaSimone/visualize-your-user-with-your-mind-in-the-moment-in-which-he-performs-the-most-important-action-for-82c12e00ccf0>

<http://psychology.oxfordre.com/view/10.1093/acrefore/9780190236557.001.0001/acrefore-9780190236557-e-228>

Risk Assuming - Overcoming fear of failure

“It is hard to fail, but it is worse never to have tried to succeed”- Theodore Roosevelt

“There is only one thing that makes a dream impossible to achieve: the fear of failure” – Paulo Coelho

Description of the skill

Fear of failure is the feeling of being afraid to carry out an activity to avoid any disappointment, anger, frustration or shame from not achieving a goal. People that usually have a fear of failure refuse to try new things, they procrastinate and talk in a non-respectful way to their own selves, and often they are also perfectionists.

One out of four startups fails because of the fear of failure. What is the one thing that the world’s greatest entrepreneurs all have in common? They aren’t afraid of failure. In fact, they embrace it! They are willing to fail and fail often. Successful entrepreneurs don’t crush it their first time up to bat...on average they fail almost 4 times before hitting one out of the park! (e.g. angry bird example).

Thus, to be able to overcome fear, young entrepreneurs need a mindset preparation. It is essential to be as enthusiastic about failure as they are about success. They need to be aware of risks and failure on one side and success and welfare on the other hand. It is their decision on where they want to give focus. Young entrepreneurs should replace fear with persistence on achieving their goal, with optimism. They can analyse all potential outcomes even though they could not be aware of the overcome; learn to think more positively; identify the worst case scenario; have a contingency plan; focus on what they can control, and reduce risk by taking incremental steps. It's going to be uncomfortable at times, but they can overcome this by loving what they are doing and reading their goals again and again.

It is a good thing that they do not know everything in advance. Their businesses will grow gradually, and their steps will be depending on it. They should not wait at all “traffic lights” will be “green” before starting their journey. It also means that they will take some risks. Young entrepreneurs should think of their company as a ship that it is in a terrifying storm. And there are all sorts of waves attacking them, and as long as they're just hitting them above water, they're fine. They can always withstand the attacks that are above water with the support of their team. Young entrepreneurs just need to focus on understanding what would be an under-the-water shot that could take the whole thing down, and to only step in or protect against those kinds of problems.

A mentor or somebody who is in business will be able to support young entrepreneurs and help them to develop their skills further and at the same time their company. The mentor should be a skilful and confident person who understands the entrepreneurial environment, and he or she is able to understand the activities of the new startup to be able to mentor and coach the young entrepreneur accordingly. This type of support and guidance is significant and fruitful for a young entrepreneur. Thus, young entrepreneurs should select their mentor/coach carefully; check his/her background and achievements in business and thought if they would like to be like him/her in the future. If yes, they should talk to the mentor and listen to his/her advice for all the thoughts and concerns that they have in relation with their company, its vision and its strategy.

Supporting evidence and practices

“A ship in harbor is safe — but that is not what ships are built for.” — John A. Shedd.

Sociological and organisational research suggests that individuals' fears are not solely dependent on their nature but are also shaped by their social relations and culture, which guide their understanding of when and how much fear to feel. Murray's Exploration in Personal (1938) was one of the first studies that actually identified fear of failure as an actual motive to avoid defeat or to achieve success. His studies suggested that in avoidance, the need to prevent failure was found in many college-aged men during the time of his research in 1938. This was a significant finding in the field of psychology because it allowed other researchers to clarify better how fear of failure can actually be a determinant of creating achievement goals as well as how it could be used in the actual act of achievement.

Another study was done in 2001 by Conroy, Poczwardowski, and Henschen that created five aversive consequences of failing that have been repeated over time. The five categories include (a) experiencing shame and embarrassment, (b) devaluing one's self-estimate, (c) having an uncertain future, (d) significant others losing interest, (e) upsetting substantial others. These five categories can help one infer the possibility of an individual to associate failure with one of these threat categories, which will lead them to experience fear of failure.

These two studies created a more precise definition of fear of failure, which is "a dispositional tendency to experience apprehension and anxiety in evaluative situations because individuals have learned that failure is associated with aversive consequences".

It is crucial for young entrepreneurs to visualise their goals and find the purpose of their vision. When they talk to somebody who understands them and who is able to support them, then they will be able to feel empowered. So, they should find the inner strength and encourage their self; write down their goals and put them on the wall; visualise their final goals and read them daily or whenever they feel stressed or disappointed to remind themselves what they want to achieve and how they have to do it.

Examples of successful people that they overcome the fear of failure:

- Albert Einstein – He wasn't able to speak until he was almost 4-years old and his teachers said he would "never amount to much."
- Michael Jordan – After being cut from his high school basketball team, he went home, locked himself in his room, and cried.
- Walt Disney – Fired from a newspaper for "lacking imagination" and "having no original ideas".
- Steve Jobs – At 30 years old he was left devastated and depressed after being unceremoniously removed from the company he started.
- Oprah Winfrey – Was demoted from her job as a new anchor because she "wasn't fit for television".
- The Beatles – Rejected by Decca Recording Studios, who said "we don't like their sound – they have no future in show business".

A practice that can help young entrepreneurs to overcome the fear of failure and be more optimistic is the method of Framestorm. It aims to pause and disturb a hard-wired connection in the brain by gently redirecting attention to entirely new and different perspectives on the situation. It can also be a co-creation method with a Framestorm facilitator.

There are 3 steps in this process:

A: Ask calibrating questions

- Which emotional effects does this create in me?
- What is my current framing?
- Does it make me more resourceful?
- Is that helping me get closer to my goal?
- If I continue to give life to this framing, what reality will I create?
- Do I want this scenario to become my reality?

B: Begin the framestorm

- Visit different framestorm perspectives and answer them
- If you run out of energy in relation to a particular question, choose another one
- Keep momentum until you have at least 15-30 alternative reframings
- A framestorm process is not about criticising and excluding options but about identifying new options.

C: Reframing activity

- Read your alternative framings and taste their effects
- Choose one or two that make you more resourceful and try them out
- Notice the different effects that these reframings have for you and others

Books

Seligman, M. E. P. (1998) Learned Optimism: How to Change Your Mind and Your Life. Pocket Books

Seligman, M. E. P. (1998) Authentic Happiness

Frankl, V. (1959). Man's Search for Meaning. Rider Books

Goleman, D. (2013). Focus: The Hidden Driver of Excellence. Harper

Gross, J.J. (2001). Emotion regulation in adulthood: timing is everything. Current Directions in Psychological Science, 10, 214-219

Prehn, A, (2012). Create reframing mindsets through Framestorm. Neuroleadership Journal, 4, 154-164

Peale, Dr. Norman Vincent (2003). The power of positive thinking. Touchstone.

[Robin, Corey](#) (2004). Fear: the history of a political idea. Oxford University Press.

Dixon, Rasheal (2012). How to overcome fear, and start living fearless. CreateSpace. [ISBN 978-1475122046](#).

Lazarus, R.S. (1991). Emotion and Adaptation. Oxford University Press, New York.

[Jump up^](#) Birney, R. C., Burdick, H., & Teevan, R. C. (1969). Fear of failure. Van Nostrand-Reinhold Company.

Additional resources and link

<https://www.youtube.com/watch?v=8NxDO6fA5rU>

<http://www.youtube.com/watch?v=9FBxfd7DL3E>

http://www.slideshare.net/santu44smart/positive-thinking-5630821?from_search=1

<http://www.mindtools.com/stress/RelaxationTechniques/Imagery.html>

<https://medium.com/swlh/7-insanely-powerful-lessons-my-mentor-taught-me-which-i-didnt-realize-until-later-b6db20e58ede>

<https://www.wakeupcloud.com/overcome-the-fear-of-failure/>

<https://medium.com/@LalainaRackson/how-to-silence-self-doubt-to-accomplish-everything-that-you-want-f350de4a6804>

<https://medium.com/@lensq29/why-you-should-not-fear-failure-89a0d486fc73>

<https://medium.com/the-mission/to-overcome-the-fear-of-failure-fear-this-instead-d880ce3e5ccf>

<http://www.onehourprofessor.com/overcome-fear-failing-starting-business/>

<https://youtu.be/3AkizDHuWKM>

Passion - Making value with your business

“Meaning is essential to human beings. We continually need to make sense of our outer and inner worlds, find meaning in our environment and in our relationships with other human beings, and act according to that meaning” —Fritjof Capra, The systems View of Life

Description of the skill

“Money is not the goal, it is a consequence” - unknown author

This is something which creates conflict for all business newcomers - why be an entrepreneur if the money isn't the reason? Does focusing on more than the bottom line of your balance sheet add to your company's value? Richard Branson, a man behind 400 companies of Virgin Group certainly thinks so. Virgin's commitment to environmental and societal causes has contributed to the employee's happiness and the success of his business.

Creating money requires a big dream (something you're passionate about) and a set of beliefs that makes you think you can achieve it. If you pursue something just for the potential big payday, every entrepreneur can guarantee you one thing - you will fail miserably! When you start something strictly for money, your heart is not into it, which makes it impossible to persevere through the difficulties and challenges you will face. Within your business, you need to foresee the difference you are making - and you need to believe it. Saying that money needs to be a consequence of your action, not the paramount goal.

The sad thing is that having significant money actually doesn't feel that good - there is no such thing as enough money. This is why dreams are more than important. Working towards a dream feels fantastic, and as you hit each milestone, it makes you fulfilled beyond your wildest dreams. All of a sudden, you are achieving success at something that can be your life's work. When your vision becomes your life work, it gives you a sense of meaning that no amount of money can provide you.

Supporting evidence and practices

According to the 'Expectancy Theory of Motivation' by Victor Vroom of Yale School of Management, three things must occur for a person to have high motivation for achieving their goals: 1) You must believe you can do what it takes to achieve your goal. 2) You must believe you know how to achieve it (you have the proper methods). 3) Finally, you must believe the rewards of the particular *goal are personally meaningful*. Another word for expectancy is faith — the belief in your ability to seize or create a future outcome.

When former P&G global marketing director, Jim Stengel, collected 10 years of data across 50,000 brands, he found a direct relationship between a brand's ability to serve a higher purpose and its financial performance.

Businesses with 'higher ideals' – those focused on improving people's lives – grew three times faster than their competitors.

In 2012, Edelman's global good purpose study found 89% of consumers are more likely to buy from companies that support solutions to particular social issues. For more than half, the purpose is the most critical factor influencing brand choice when quality and price are equal.

In the beginning, Airbnb struggled to survive instead of living great idea, have a beautiful looking Web page and be backed up by the investors who believed in their business. Then Airbnb's change purpose and proclaim "belong anywhere". It's a refreshing and inspiring purpose with clear benefits for its users, striving to create the type of warm interpersonal connections that are groundbreaking in its category. Airbnb has overgrown and is now valued at \$31 billion (the year 2018), and having total revenues of more than \$1 billion for the first quarter of 2018.

To consider: Clients hire you to get a problem solved. They may need a well-designed website, better accounting or more leads for their business. The point is they need a problem solved. So, it's better not to charge them by the hour of work; but to make a charging system in a way that your clients will instantly see the value your company adds and what they are paying for, in exchange of your company's product or services.

Books

- Flow – the key to unlocking meaning, creativity, and true happiness;
<https://www.harpercollins.com/9780061339202/flow>
- Man's Search for Meaning,
<https://www.amazon.com/dp/080701429X?tag=s7621-20>

Additional resources and links

- <https://addicted2success.com/success-advice/6-reasons-to-chase-your-dream-not-the-money/>
- <https://www.forbes.com/sites/forbescoachescouncil/2016/09/22/how-to-identify-and-build-the-purpose-behind-your-business/#5186c8d2485b>
- <https://medium.com/thrive-global/how-to-make-millions-of-dollars-as-an-amateur-188cb461191e>

Learning - Constant reading habit

“The ability to learn faster than your competitors may be the only sustainable competitive advantage” – Arie de Geus

Description of the skill

World's highest achievers have one thing in common: it isn't a high IQ, nor is it an incredible lucky streak, but their appreciation for constant learning through reading and practising. Education is the single best investment of our time that we can make. As Benjamin Franklin said, “An investment in knowledge pays the best interest.” This insight is fundamental to succeeding in our knowledge economy, yet few people realise it. Luckily, once you understand the value of knowledge, it's simple to get more of it. Just dedicate yourself to constant learning.

The world is bursting with learning. There are several million business books, 3 000 TED talks, 10 000 MOOCs, hundreds of thousands of e-learning courses, and millions of self-published articles on platforms, such as LinkedIn and Medium. The modern learner has very little time for learning, less than 1% of their time, according to Bersin, a division of Deloitte. Plus, it is more important than ever to learn continuously as the shelf life of skills shortens and career paths meander and lengthen.

We all want to be better at something. After all, self-improvement is necessary to getting ahead at work. But once you know what you want to be better at, how do you start? Of course, learning techniques will vary depending on the skill and the person, but you can follow some general rules.

Tech entrepreneur Elon Musk reportedly learned how to build rockets by reading books. Warren Buffett, one of the most successful investors in the USA, state that he spends 80% of his day reading. Bill Gates, the richest man in the world and a lifelong bookworm, reads about 50 books a year, but strictly nonfiction ones.

Although reading is valuable, most people see it as a chore. Why read when you can end the day with your favourite TV show? Or a friendly gathering with friends? Make a decision about what your future will be: in front of the TV or in a chairman seat of a highly successful business.

Roosevelt was what we might call a “lifetime learner”. Learning became for him a mode of personal enjoyment and a path to professional success. The Economist recently argued that with all the disruptions in the modern economy, particularly technology, ongoing skill acquisition is critical to persistent professional relevance. Formal education levels are regularly linked to higher earnings and a lower unemployment rate, and apart from its utility, learning is fun. It's a joy to engage in a new topic. Having an array of exciting items at your disposal when speaking to colleagues or friends can boost your confidence. It's also fulfilling to understand a problematic new subject finally.

This type of continuous and persistent learning isn't merely a decision. It must become a habit, and as such it requires careful cultivation. To develop a learning habit, first you have to articulate the outcomes you'd like to achieve, and according to your choices, you have to set realistic goals. To be able to focus on your objectives, you have to ditch the distractions as multitasking and technology can make the deep concentration needed for real learning difficult or impossible. Although technology can be a distraction, it can also be used to aid a learning regimen dramatically. Massive open online courses, podcasts, audiobooks, e-readers, and other tools make it possible to have a book on hand almost any time. Combine these tools with apps that track your habits, and technology can be an essential component of a learning routine.

Additionally, it is imperative for you to unlearn what you have learned to give the opportunity to yourself to explore alternatives. Unlearning is not about forgetting; it is about choosing an alternative mental model or paradigm. When we learn, we add new skills or knowledge to what we already know. When we unlearn, we step outside the mental model to choose a different one.

Supporting evidence and practices

We are all born with a natural curiosity. We want to learn. But the demands of work and personal life often diminish our time and will to engage that natural curiosity. Developing specific learning habits – consciously established and conscientiously cultivated- can be a route to both continued professional relevance and deep personal happiness. Maybe Roosevelt had it right: “A lifetime of learning can be a success in itself”.

Mastering new skills is not optional in today's business environment. “It is not enough to be smart – you always need to be getting smarter”, says Heidi Grant, a motivational psychologist and the author of 'Nine Things Successful People Do Differently' (Harvard Business Review Press, 2012). Thus, we need to continually look for opportunities to stretch ourselves in ways that may not always feel comfortable at first as continual improvement is necessary to get ahead. Some principles which you can follow for self-improvement are:

- Check your readiness – You have to ask yourself if your goal is attainable and also you need to clarify how much time and energy can you devote to the project.
- Make sure it is required - Select a skill that is relevant to your career, your organisation, or both. Gaining a new skill is an investment, and you need to know beforehand what the return will be.
- Understand how you learn best – Some people learn faster and easier by looking at graphics and pictures or by reading. Other prefer to watch demonstrations or listen to things being explained. Still, others need hands-on experience. Each one of us can figure out the ideal learning style by looking back.
- Get the right help – Eliciting support from others can significantly increase learning. Find someone you trust, who has mastered the skill you are trying to attain. If you can't find a mentor inside your company, look for people in your industry or from your network.
- Start small – You have to choose one or two skills to focus on at a time and break that skill down into manageable goals. For example, if you want to become more assertive, you might concentrate on speaking up more often in meetings by pushing yourself to talk within the first five minutes.
- Reflect along the way – To move from experimentation to mastery. Reflect on what you are learning. Otherwise, the new skill won't stick.
- Challenge yourself to teach it to others – One of the quickest ways to learn something new, and to practice it, is to show others how to do it.
- Be patient – We need to be patient during the process of acquiring a new skill as it usually takes 6 months or more to develop a new skill.

Books

Coleman, John, D. Gulati, W. O. Segovia (2011). Passion and Purpose: Stories from the Best and Brightest Young Business Leaders. Harvard Business Review Press

- Additional resources and links
- <https://medium.com/the-mission/the-5-hour-rule-if-youre-not-spending-5-hours-per-week-learning-you-re-being-irresponsible-791c3f18f5e6>
 - <https://www.blinkist.com/magazine/posts/reading-habits-of-highly-successful-people>
 - <https://www.psychologytoday.com/us/blog/communication-success/201410/how-increase-your-emotional-intelligence-6-essentials>
 - <https://hbr.org/2015/06/improve-your-ability-to-learn>

B. Setting up your business stage

Ability to recognise opportunity

"Chance favors the connected minds" - Steve Johnson

"The important thing is not to stop questioning." - Albert Einstein

"If there was one life skill everyone on the planet needed, it was the ability to think with critical objectivity." - Josh Lanyon

Description of the skill

Entrepreneurship plays an important role in fostering economic growth, job creation and innovation to a nation. For entrepreneurship to happen, opportunity recognition must first happen. Opportunity recognition means proactively brainstorming a new business venture or expanding an idea. Entrepreneurial opportunity is difficult to define as it can mean different things to different people. In essence, it is a discovery of an idea to create new businesses and the search of information regarding market and technological possibilities. Opportunity is a deviation between current expectations and a potentially better situation; a favourable or advantageous circumstance or combination of circumstances. The six roots of opportunity are: 1. Problems that your business could solve; 2. Changes in laws, situations and trends; 3. Inventions of totally new products or services; 4. Competition; 5. Technological advances, as Scientists may invent new technology or improve the existing ones, entrepreneurs figure out how to sell the technology; 6. Unique Knowledge of one's neighborhood, friends and community.

Good or investment-worthy an idea is, the "ah-ha" moment of inspiration is the on-ramp to entrepreneurship. There are three things in the real heart of entrepreneurship: the ability to identify or recognise an opportunity, the ability to review or assess opportunity, and last but not least, the ability to successfully execute and realise an opportunity. While these tasks seem straightforward on paper, the skills you need for each one are very different, and it is difficult to be good at all of them. To be a successful entrepreneur, you need to excel at all three, all at the same time. The starting point of any business organisation is a powerful idea. An idea worth thinking about, an idea worth enhancing and developing, an idea worth converting into a business.

For long-term viability and success, a company needs the ability to recognise opportunities. Industries usually evolve based on societal changes, changes in customer preference or technological improvements.. The most innovative company leaders who seize opportunities stay ahead of the competition in delivering progressive solutions to customers. Steve Jobs recognised the tremendous opportunity to make Apple a cutting-edge innovator in mobile technology. Amazon.com founder, Jeff Bezos, similarly recognized the power of online book sales long before traditional book sellers. He continued to seize opportunities for product diversification after making a big splash with books.

Ultimately, it is a question of if the individual is able to recognise particular opportunities amidst the contextual changes. In a given same set of circumstances and situations, not all people can recognise a given entrepreneurial opportunity. Some would be able to identify it while others have overlooked it. Why do some people see it while others don't? Possession and wider exposure to prior and new information and superior cognitive capabilities help formulate a conjecture towards opportunities.

Entrepreneur must first be equipped with a level of education and experience. Combined with other critical factors, such as the entrepreneurial alertness and the entrepreneurial network, the combination will enable the entrepreneur who has the ability to recognise meaningful business opportunity and who is able to strategically position the business be able to successfully complete the development process and launch the new venture. As suggested, the opportunity recognition is a process with a number of steps and not simply rather a coming flash of sudden insights.

- **Entrepreneurial Alertness** - Entrepreneurs are successful because of their alertness to information on the market condition and opportunity movements. Alertness is defined as a process and perspective that helps some individuals to be more aware of changes, shifts, opportunities and overlooked possibilities.
- **Prior Knowledge** - Prior knowledge refers to an individual's distinctive information about a particular subject matter which may be a result of work experience, education or other means. With the stock of information and knowledge gained through life experiences, certain people are able to make the connection to recognise the opportunity as it is related to their available information.
- **Social networks** - Entrepreneurship is embedded in social networks which facilitates the entrepreneurial process by linkages among entrepreneurs, resources and opportunities. Social network is a resource and a potential capital, while social capital is a network which is used to engage in productive economic activities.
- **Business performance** - The field of entrepreneurship is about the importance of recognizing and acting upon opportunities and hence is a key step in the entrepreneurial process. At the end of the entrepreneurial process lies the end result of the superior business performance.

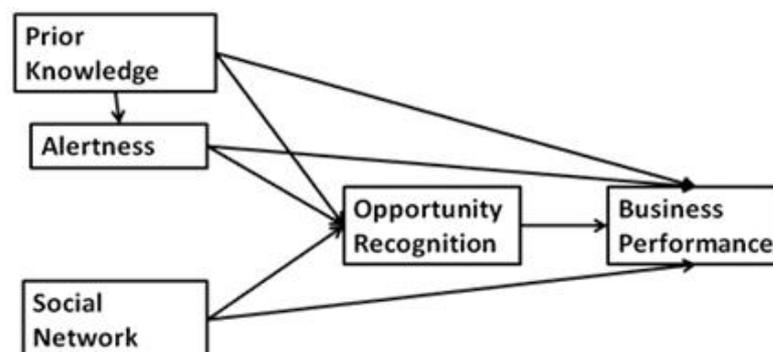


Figure 1: Recognising opportunity

Supporting evidence and practices

One of the various definitions of opportunity recognition given by Lumpkin and Lichtenstein (2005:457) is “the ability to identify a good idea and transform it into business concepts that add value and generate revenue.” This definition makes an emphasis that opportunity recognition is an inseparable part of entrepreneurship. A small-business owner typically engages in opportunity recognition at the point where he realizes he has an idea, strength or capability that matches well with a particular target market. Entrepreneurial business owners constantly seek new revenue streams. Those that seize ripe opportunities tend to perform best financially.

There are two opposing views regarding opportunities. One view argues that opportunities are discovered while the other view argues that they are created (A. Sharon, A., and Jay. B. Barney (2004)). These two main perspectives differ on how opportunities are discovered or created. The first perspective is the positivist who assumes that reality has an objective existence independent of an individual’s perception. It is proposed that opportunities are formed by exogenous shocks to existing markets and it is there ready to be discovered by an entrepreneur. The second perspective comes of the constructionists who argued that reality is a social product that is a result of social interaction of individuals. Its existence is dependent on the individual’s perception. In this perspective, it is suggested that opportunities are formed endogenously by the entrepreneurs themselves.

Other researcher argues that entrepreneurial opportunity recognition is a cognitive process as it relies on the individual. Shane and Venkataraman (2012) found that entrepreneurs use cognitive insights and spend more time compared to non-entrepreneurs in searching for information which will lead to new business opportunities. Following the study, researchers have further suggested that prior knowledge adds significant insights to the recognition of an opportunity. Shane (2012) proposes that prior knowledge in a particular industry provides to the entrepreneur the capacity to recognise opportunities in a better way.

Books

Kirzner, I. M. “Entrepreneurial Discovery and the Competitive Market Process: An Austrian Approach.” *Journal of Economic Literature* 35.March (1997):

Shane, Scott. “Prior Knowledge and the Discovery of Entrepreneurial Opportunities.” *Organization Science* 11.4 (2000): 448–469.

Kaish, S, and Benjamin Gilad. “Characteristics of Opportunities Search of Entrepreneurs versus Executives: Sources, Interests, General Alertness.” *Journal of Business Venturing* 6.1 (1991): 45–61.

Alvarez, Sharon. A., and Jay. B. Barney. “Organizing Rent Generation and Appropriation: Toward a Theory of the Entrepreneurial Firm.” *Journal of Business Venturing* 19.5 (2004): 621–635.

Audretsch, David B., and Zoltan J. Acs. Handbook of Entrepreneurship Research: Interdisciplinary Survey and Introduction. 2nd edition. Springer, 2010.

Alvarez, Sharon A., and Jay B. Barney. "Discovery and creation: Alternative theories of entrepreneurial action." Strategic entrepreneurship journal 1.1-2 (2007): 11-26.

Shane, Scott. "Reflections on the 2010 AMR decade award: delivering on the promise of entrepreneurship as a field of research." Academy of Management Review 37.1 (2012): 10-20.

Ardichvili, Alexander, Richard Cardozo, and Sourav Ray. "A Theory of Entrepreneurial Opportunity Identification and Development." Journal of Business Venturing 18.1 (2003): 105–123.

Gimeno, Javier et al. "Survival of the Fittest? Human Entrepreneurial Capital and the Persistence of Firms Underperforming." Administrative Science Quarterly 42.4 (1997): 750–783.

Additional resources and links

<https://www.youtube.com/watch?v=NugRZGDbPFU>

http://berkeleysciencereview.com/3pieces_of_entrepreneurship/

Creativity - unlock your passion and potential

“Revolutionary ideas come about when we doubt our existing view of the world,” - Alan Iny, Luc de Brabandere

Description of the skill

Creativity is part of every business. Some jobs, like software engineers, use the creativity daily to reinvent their code while others, like tailors, sometimes are hiding these skills. But all of them show their creativity in their product or service - and customers support it by purchasing it. So, how can we improve our ability to be creative?

Iny and Brabandere, specialists in creativity and scenario planning, who have trained thousands of executives, used their extensive experience to break creativity into five key steps:

1. Doubt everything. Challenge your current perspectives.
2. Probe the possible. Explore options around you.
3. Diverge. Generate many new and exciting ideas, even if they seem absurd.
4. Converge. Evaluate and select the ideas it is thought will drive breakthrough results.
5. Re-evaluate relentlessly. No idea is good forever.

But to make their point, they take the well-worn path from business to sport and describe how a 21-year-old athlete named Richard “Dick” Fosbury revolutionised his sport at the 1968 Olympic Games by going over the high jump back first rather than hurdle-style. He not only won the gold medal and set a new record, but invented a technique known throughout the world as the “Fosbury Flop”. And all because he says he was forced to try out new techniques because he was not good enough at the traditional one.

It is important to know that we cannot be creative all the time. Creativity is a synonym of free thinking, no judging, open-mindedness, limitless, without rules. If a model of your business is a stick, creativity is on the opposite side to the systematisation, standards, strict regulations and times. You cannot be creative and obey strict time rule - you cannot say that you will develop some new, never seen product, tomorrow from 1pm to 5pm. That’s why the developers never have a tidy desk and are stereotyped as bushy hair people with glasses, while business managers should be in a suit with a tie.

Supporting evidence and practices

Just about everybody agrees that in the modern competitive world of business creativity is essential to success. Still, so many businessmen hinder original thinking by not giving themselves and their teams the room they need to be genuinely creative. Indeed, a new book from management consultancy, the Boston Consulting Group, goes so far as to argue that managers often kill original and groundbreaking concepts because they refuse to consider challenging and apparently impossible ideas.

It is also important to know that the passion and creativity will not help you directly earn money, but they will give you satisfaction, energy and will help you do the tasks which are dull but still needs to be done. Kevin Eschleman, an assistant professor of psychology at San Francisco State University says, "We found that in general, the more you engage in creative activities, the better you'll do at work." It may also serve you well to encourage employees to engage in a hobby. Eschleman noted that no matter what hobby the study participants took part in, these people were more likely to go out of their way to help co-workers.

Books

Creativity in business - <https://www.amazon.com/Creativity-Business-Basic-Generating-Selecting/dp/906369380X>

Creative confidence - <https://www.amazon.com/Creative-Confidence-Unleashing-Potential-Within/dp/038534936X/>

Additional resources and links

- https://www.ted.com/talks/alan_iny_reigniting_creativity_in_business#t-20803
- <https://www.businessnewsdaily.com/8894-creativity-business-success.html>

Influencing others - Build digital identity and become influencer

“At some point in your life, you're probably going to get googled, and the information that pulls up might affect what others think of you”. - Daniel Solove

“Stories bring out your humanness and connect you emotionally with your audience” - Susan Chritton

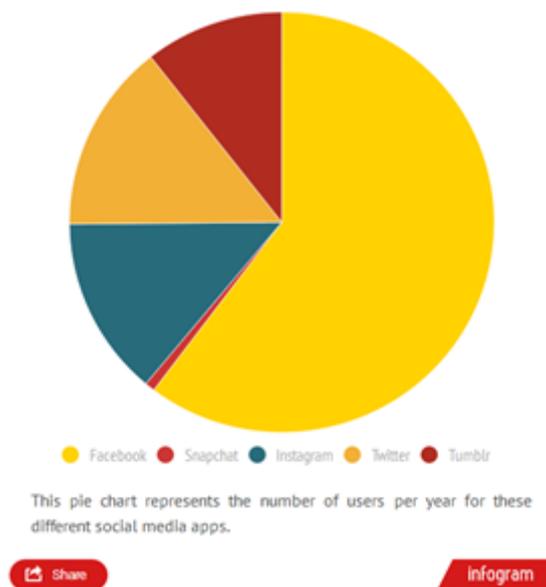
“Nothing builds your brand like a good story”. - Susan Chritton

Description of the skill

Your digital identity is your online identity, it's how you view yourself, and it's also how others see you online. Digital Identity can have positive and/or negative effects.

Since its creation in the mid-1990s, the Internet has grown into a global entity that is a part of millions of people's daily lives. However, we are moving toward a world where a permanent record of people's information can be found online, potentially haunting us by what we have done. We need to understand the magnitude of the Internet. Once data has been placed online, it can never really find its way off. Therefore, we must be prudent about what information we put about ourselves on the Internet, as our digital identity can become just as important as our physical one. Fortunately, there are ways to manage how we are perceived online.

Number Of Active Users



To create a professional digital identity, you first need to understand what makes you, YOU. You need to know who you are, what your story is, and most importantly stick with that story. Company brands that have been successful were those that had a personal story that touched on emotion. By understanding your strengths and weaknesses, you will be able to highlight those aspects that set you apart from other people. This regards all aspects of your personal brand: in person and online. Reflect your true self in everything you do, or you will risk looking not credible. This means managing the various social platforms that you are already on. Try doing a social media audit to ensure your digital platforms conform to your personal brand

and how you would like others to perceive you. Even better, have a peer evaluate your various digital platforms for an outside opinion!

Figure 2: Number of active users

To create your personal brand, you also have to identify your target audience, who you would like to communicate your brand to, set yourself apart from your competitors, and clearly synthesise what you stand for. To be able to create your personal brand sometimes is really helpful to research and to examine how others have done it. Through this activity, you will be able to get inspiration and develop your own personal brand. Also, it is essential to choose the tools that will help you to build your identity. With new apps being created every day, there are countless ways to present your digital identity. Whether it is through an infographic chart, animated video, or other media creation, just be sure to be you!

Once you know what you want to say, and you've chosen your tools, it's time to write your story. Don't forget to communicate your message clearly, tie things back to your personal brand, and be authentic! Then you have creatively crafted a story that is uniquely yours.

Supporting evidence and practices

Sometimes some good soul-searching can help you to better understand who you are. To do this, try to understand what your needs are; consider your life circumstances; recognise your strengths, values, passions, and goals; and identify your mission in life. Knowing how others perceive you is also very helpful in discovering what makes you unique. There are some great tools out there, such as the 'Reflected Best Self Exercise', that can help you do just that.

Check out how others have presented themselves online: see what worked and what didn't. When creating our ePortfolios, there are great examples to fall back on if we need a little inspiration.

When you are ready to start writing your story and you don't know where to start just follow the seven principles to create a digital story. Be sure to incorporate a:

- Point of view
- Dramatic question
- Emotion
- Voice
- Soundtrack
- Economy and
- Pacing.

Books

John Lincoln, (2016). *Digital Influencer: A Guide to Achieving Influencer Status Online*

<https://books.google.com.cy/books?id=FnOWDAEACAAJ&dq=editions:NELR8thuPRQC&hl=en&sa=X&ved=0ahUKEwigho2F6fraAhVNYIAKHff7CZAQ6AEIJTAA>

Warren Knight, 2016. Think #Digital First

<https://books.google.com.cy/books?id=YFZurgEACAAJ&dq=Build+digital+identity+and+become+influencer&hl=en&sa=X&ved=0ahUKEwjOq-H96PraAhVNYVAKHXKGA9wQ6AEINjAD>

Additional resources and links

<https://www.youtube.com/watch?v=xg2ygCywnd4>

<https://www.youtube.com/watch?v=mEQ3Bohlf1o>

<https://www.youtube.com/watch?v=QAd54DkXCr4>

<https://www.threatmetrix.com/digital-identity-360/>

<https://www.digitalidentityguide.com/>

<http://positiveorgs.bus.umich.edu/cpo-tools/rbse/>

<https://www.youtube.com/watch?v=oww7oB9rjgw&feature=youtu.be>

Pitching - Ability to make a 20-second presentation of what you are doing

“Ideas alone are not scalable. Only when an idea is put into words that people can clearly understand can an idea inspire action.” – Simon Sinek (British/American author, motivational speaker and marketing consultant)

Description of the skill

Having a good idea and a great business model may not always take you far if you don't know how to present that idea. It's a key point and a competitive advantage to be able to explain your concept in a well-structured format and convey your message in a way that captures the audience. Pitching brings all the knowledge you have gained together regarding business modelling.

Pitching skills will help you overcome the inherent fear of public speaking, and it aims at teaching you the structure of a successful pitch and effective communication. Always remember that a good idea is not good in its own right. You have to be able to present it effectively and “sell it”.

A **pitch** is a *story* or a communication of messages between two parties, with the main goal of selling, influencing, educating or informing. A pitch is like a story/an essay you would write at school. It should be structured in such a way so that it has a clear beginning, middle and end.

The pitch must reflect a well thought out journey. There must be a consistent and continuous flow of information and facts that the audience can follow without getting lost in the narration. Jumping back and forth from one topic/area to another and continuous repetition will inevitably make your audience lose focus and interest.

Before preparing your pitch and pitch deck, you should take a few minutes to identify what the goal and objective of the presentation is. And with this in mind, develop the message you want your audience to walk away with.

You need to be able to communicate your idea clearly and to the point. No one likes to hear someone waffle - an investor will immediately lose interest. Remember that there are thousand ideas presented to investors, and their time is limited. Pitches should be short and sweet, highlighting all key information. It's important that you keep track of time so that you are able to deliver your message in a timely manner.

A **good presenter** must be able to speak clearly, fluently and in a coherent manner. He/she must show enthusiasm in order to keep the audience awake and engaged. If you are not enthusiastic about your product/idea, then why should the investor show interest? Compare this with a professor at university - the more energetic, enthusiastic and passionate your professor is, the more likely is his/her students will want to keep track and follow the lesson.

A good presenter must be confident. You know your product and you know it's a good one. But you need to convince your investor about it. If you show a lack of confidence, you will lose your potential investor's vote. You must know your *story* inside out and be flexible enough so that if you forget a word or a phrase you can adapt the story and use any unforeseen incidents to your advantage.

Your pitch is not a 'one fits all' type of pitch. You need to adapt it according to your audience. So study your audience and target what they are looking for. What a jury panel looks for in a start-up competition differs from what an investor looks for when exploring his investment opportunities.

Your audience will always have questions. You need to be patient and listen to the question. Do not interrupt and always ask them to repeat if the question is not clear.

Above all, a good presenter must be focused and should not let anything distract him/her. A good presenter is focused on adding value to the audience and addressing the audience from their perspective.

Supporting evidence and practices

Pitch Structure and Content

This section focuses on the structure and content of a pitch and gets students to start thinking about the various messages they want to communicate and helps them understand how to shape these messages and the right time to insert them into their presentation.

Knowing the goal of your presentation: Giving a presentation without being aware of the end goal is like telling a long joke without mentioning the punchline-this is how it will come across to your audience.

Key points and messages: You have to list all of your potential messages and make sure they do not overlap or they do not repeat themselves. Once you have a final list of the key messages you can split them into sub-messages that belong to a particular group. This process will leave you with a tree-like grouping of key messages and their sub-messages. Doing this is essential to ensuring that the structure of the presentation revolves around these messages and that none are left out. Telling the story of your company is about defining the problem, creating empathy for the pain you are curing, demonstrating how you are curing that pain, showing why your solution is the best, and outlining the market opportunities and your company's strategy for appealing to your market. These are the new things that you want your audience to learn for your subject.

Graph your key messages out into a 'tree like shape' with short notes for each section and sub section. In essence, create a skeleton of the presentation in visual format.

Structure and Content: Intro, Main Body, Conclusion

Intro: This is where you attract the audience's attention. Deliver your main message by stating your offering/value proposition without going into details and make a first impression on your audience.

Main body: This is a careful structure of the main messages that cover what you need to say in a way that is not repetitive or boring. Analyse your customer segment and their need, pain and problem and how your offering addresses that pain/need, provides a solution. What makes you unique if anything? Why should they choose you? Most importantly, you need to show how your offering will reach the customer and how you will make money out of this.

Conclusion: This is your chance to drive return to your main message and leave the audience with your query (your call to action: what you want from them).

Knowing the story: You must know your presentation by heart. We do not mean you must know the exact words, but that you must know the story by heart. You should be able to tell the same story even if you change some words. A story flows and follows that route that you have set out for your key messages and sub-messages.

Language

Not everyone is a scientist or an engineer: Avoid using technical jargon. Not everyone is familiar with scientific and technical terms, therefore find alternative ways to describe your product in Layman's, real-world language. Talk the language of your customer using everyday examples where possible. Be concise. Don't go into too much detail on trivial messages or issues you wish to talk about. Find alternatives some difficult words you seem to keep forgetting. Make your presentation simple so that both you and your audience can follow.

Don't waffle: Learn to control your waffling and know when you have to stop talking. Prioritize the most important things you want to share and stick to those pieces.

The Rule of Three: This is a writing principle that says that things grouped in threes are easier to remember and make more of an impression on others who are either reading them or listening to them, because the human mind thinks in patterns. For example:

- Good, bad, ugly
- Good, better, best
- Location, location, location

So, when you are trying to emphasise something, try to make it into a group of three words or three adjectives.

Memorise the beginning and end: Although it might be impossible to memorise the whole presentation, make sure that you do memorise the beginning and the end. These are very important in helping you gain confidence and deliver the exact messages you intended.

Body Language & Voice Tone

Body language is one of the most crucial vehicles to interact. During presentations, always use facial expressions and hand movements to explain and communicate your message. Using your facial expressions and hand movements or gestures can enable you to convey your content successfully and shows confidence.

The power of pauses: Pauses are a useful tool to help you deliver your message effectively; and is a key way to engage the audience. Pauses also help you control your pace which in turn will help your audience understand and follow your message. Breaking down your pitch into smaller segments, makes it a lot easier to comprehend. Be careful not to pause for too long.

Eye contact: Create a bond with your audience by focusing on 2-3 people. Eye contact makes you look authoritative, believable and confident. Looking at someone in the eyes makes them look back and really listen to what you have to say, making it more likely to believe in you and your message.

Intonation/emphasis: Changing your tone keeps your presentation alive and allows you to highlight the important elements in your pitch.

'Umiming' and 'erring': 'Umiming' and 'erring' makes you look uncertain and not well prepared, is tiring for your audience and you run the risk of losing their focus and attention. Try to replace your "ums" and "ers" with pauses.

PowerPoint/ KeyNote Rules

- Types of fonts and their purpose: Sans-serif, etc.
- Bold and underline for emphasis. Avoid italics
- DON'T SCREAM!
- Indicative fonts: Titles = 44 pt, Main body text = 28 pt – 34 pt
- Bullets = not less than 24 pt
- Number of bullets: 3 seems to be the most effective (rule of three mentioned earlier)
- 6 x 6 rule – ideally, up to 6 words per line, and 6 lines per slide
- Check and double-check your spelling and formatting
- Images: Make sure when you make an image bigger or smaller, that you are scaling it in size
- Animation: Don't use too much of it, unless you really need to emphasise something. Have a plan B in case things don't work as they should, which happens more often than you'd think.
- If no animations, then use a pdf version of the presentation
- Avoid content heavy slides, otherwise the audience will feel that they don't have to listen; they can just read the presentation
- The presentation should not exceed 15 slides.

It is not a good feeling being aware that you will know results only at the end of the development process.

And how to avoid this? Your product can disappear in less time needed for its development.

Ryan Holiday's book, called *Growth Hacker Marketing*, discusses the secrets of growth behind companies like Amazon and Uber. Through the use of the internet, a new model, called "growth hacking", has emerged. The phrase is only five years old and has already gained significant momentum. You can Grow Hack both offline or online: it is essential that you do not have to use standard or high-cost channels for getting customer feedback.

Growth hacking is the process of:

1. Start by asking your potential customers, and not by developing a product that has "potential"
2. Create a "minimum viable product" (MVP) that you think will be liked by consumers;
3. Test that product with your final customers. People love to give feedback if the product is useful for them;
4. Make changes to the product using that feedback;
5. Repeat steps 3 and 4 until you have a perfect product.

By using this concept, you will get your product fast. It will be liked by your target group and, best of all, you will already have a list of customers, your testing group, not spending a dime on marketing.

Supporting evidences and practices

It is a remarkable story about how the book mentioned above was written. Author Ryan Holiday firstly sold just an idea about the book, explaining to his first 2000 customers what will be in the book. That's it. No script, no promotion, not even a web page. He sold just an idea, an image of the future product. He just needed to persuade them, and later, they were selling the book to every friend. And it was a success!

A part of people's mind is curious - not everyone thinks the same way. In general, lower prices are more appealing to your clients. But not every time. Reducing prices to reduce proposal rejection is the worst thing you can do. If a customer does not realise the value of your product, they will stop buying it, even if it's 50 cents per month.

Slidebean.com, an Online Powerpoint replacement, increased their prices by 4 times. Results:

1. Churn rate dropped down from 25% to 6,53% (x3,82).
2. Customer lifetime value increased from \$22 to \$444 (x20!).

According to Wikipedia, “Growth hacking is a process of rapid experimentation across marketing channels and product development to identify the most effective, efficient ways to grow a business. Growth hacking refers to a set of both conventional and unconventional marketing experiments that lead to growth of a business.”

Things to consider

While you, as a businessman, will tend to use reliable, repeatable indicators to measure your success, you need to start to use your internal guidance system called intuition and rely on it. It will give answers to your tough problems as “good feeling about it”, as relief from fear or improved confidence in it. As evidence, that this is something businessman needs to consider, is also the way how the EU evaluates [SME instruments applications](#). The section, which evaluators will provide 25% of the points for the proposal is called “gut feeling”.

Books

- Growth Hacker Marketing: A Primer on the Future of PR, Marketing, and Advertising - <https://q.co/kqs/Xdmmse>

Additional resources and links

- Top 10 proven growth hacking ideas - <https://medium.com/startup-grind/top-10-proven-growth-hacking-ideas-for-2016-bcd3c126de63>
- Learn Growth Hacking - <https://medium.com/@karamanbk/10-sources-to-learn-growth-hacking-dbe648308ff2>
- Why trusting gut feeling is sometimes the best strategy - <https://www.inc.com/geil-browning/go-with-your-gut-trusting-your-intuition.html>
- Your Gut Feeling Is Way More Than Just A Feeling: The Science Of Intuition - <https://www.medicaldaily.com/your-gut-feeling-way-more-just-feeling-science-intuition-325338>

C. New business stage skills

Mobilising Resources - Outsourcing and sharing economy

"It always seems impossible until it's done". - Nelson Mandela

Description of the skill

There was a time in business when you needed to have all the knowledge. Carpenters had to build the whole house - from flooring, cabinetry to door installation. Now, markets have changed. Opportunities, due to the vast communication network, are now extensive. Some services, like coaching, once too expensive for the young entrepreneur, are now easily accessible

This can also change your business. If you have a tattoo shop, you need to consider how your client will reach you. What if you find out that there is no smartphone application showing tattoo shop owners with their final arts near you? You can buy professional app development for less than 500 Eur. Or, just hire an expert to prepare the tattoo shop marketing and advertising plan for you. You can get it for 100 Eur. This is a fraction of the cost that a big Marketing Agency, would charge you. Or if you just need a professional looking, mobile-friendly website with free hosting for the first year - you can get it even for 120 Eur.

This model is called outsourcing - to assign something that needs to be developed or a job that needs to be done, to an external company or a person outside of your company. You can find many websites which connect clients (you) with freelancers (somebody who is in general self-employed and has the knowledge you need). Examples of such websites are www.freelancer.com and www.PeoplePerHour.com. These platforms allow millions of companies and individuals to connect and share assets with minimal expense, sometimes even for free.

When you start to think about outsourcing, your role becomes more managerial than a productive/technical one. Define the product, select your developers, test the product and then use it. Your role is to split the whole development into little tasks and outsource it. After the development check it and then put it into the production. You're the boss - don't forget this.

One of the biggest failings in outsourcing is insufficient innovation. Freelancers will develop what you need with as little time invested as possible - and they will not innovate the product. This needs to stay with you, so don't forget to get any documentation necessary for development for your archive. You need to maintain your knowledge assets and, probably, some other freelancer will build upon existing product - he will need documentation to start.

Yet, there is another business model called "sharing economy". In this business model, assets or services are shared between private individuals, either free of charge or for a fee, usually via the Internet. It is also known as collaborative consumption, collaborative economy or peer economy. You can share your office, your bike or car or even your internet connection. And it is a growing business - just think about Airbnb!

So, you don't need to do everything by yourself, and you can share what you possess for the time you do not need it. This will help you make progress much faster and cheaper. Even though you may be the only one employed in your company, you can still behave like a real boss and use freelancers to do the tasks that your employees would typically do.

Supporting evidence and practices

According to the Statista, a US based statistics company, the worldwide revenues of the outsourcing industry from 2010 to 2017 are from **80 - 100 billion US dollars per year**. At least 25% of this comes from various online services. This means the outsourcing is not something new - and it is proved to be successful business practices.

<https://www.statista.com/statistics/189800/global-outsourcing-industry-revenue-by-service-type/>

The business case for outsourcing varies by situation, but the benefits of outsourcing often include one or more of the following: ([based on www.cio.com article on outsourcing](#))

- lower costs (due to economies of scale, lower labour rates, not having enough specific knowledge)
- access to skills or resources that your company does not have
- greater flexibility to deal with changing business and commercial conditions
- accelerated time to market
- lower ongoing investment in internal infrastructure
- more time for focusing on other topics

All these benefits are important for startups and companies at the beginning of their life - insufficient time, money for professionals working in the company, without knowing the full market or having lack of experience in this specific industry or in general. It is an opportunity to jumpstart your activities.

Additional resources and links

- <https://djangostars.com/blog/outsourcing-risks-and-ways-to-mitigate-them/>
- <https://docs.google.com/document/d/1LMt-NIEiuwwwCxzpUj3KZar7PzEdVa9YptalBaP3rCQ/edit#>

Problem-solving skills

“Problems are only opportunities in work clothes”– Henry Kaiser (American industrialist)

Description of the skill

Problem solving is the act of defining a problem; determining the cause of the problem; identifying, prioritising and selecting alternatives for a solution; and implementing a solution. Having good, strong problem solving skills can make a huge difference to your career.

Problems are at the center of what many people do at work every day. Whether you're solving a problem for a client (internal or external), supporting those who are solving problems, or discovering new problems to solve, the problems you face can be large or small, simple or complex, and easy or difficult.

A fundamental part of every manager's role is finding ways to solve them. So, being a confident problem solver is really important for your success. Much of that confidence comes from having a good process to use when approaching a problem. With one, you can solve problems quickly and effectively. Without one, your solutions may be ineffective, or you'll get stuck and do nothing, with painful consequences sometimes.

There are four basic steps for solving a problem:

1. Defining the problem - Diagnose the situation so that you can focus on the problem, not just its symptoms. Helpful techniques at this stage include the use of flowcharts to determine the expected steps of a process and cause-and-effect diagrams for determining and analyzing root causes. These steps support the involvement of interested parties, the use of factual information, comparison of expectations to reality and focusing on root causes of a problem.
2. Generating alternatives - Postpone the selection of one solution until several alternatives are proposed. Having a standard by which to compare the characteristics of the final solution is not the same as defining the desired result. Considering multiple alternatives can significantly enhance the value of your final solution. Once the team or individual has decided the “what should be” model, this target standard becomes the basis for developing a road map for investigating alternatives. Brainstorming and team problem-solving techniques are both useful tools in this stage of problem solving.
3. Evaluating and selecting alternatives - Many alternative solutions should be generated before evaluating any of them. A common mistake in problem solving is that alternatives are evaluated as they are proposed, so the first acceptable solution is chosen, even if it's not the best fit. If we focus on trying to get the results we want, we miss the potential for learning something new that will allow real improvement.

4. Implementing solutions - The most effective approach, by far, has been to involve others in the implementation as a way of minimizing resistance to subsequent changes. Feedback channels must be built into the implementation of the solution, to produce continuous monitoring and testing of actual events against expectations. Problem solving, and the techniques used to derive elucidation, can only be effective in an organization if the solution remains in place and is updated to respond to future changes.

Using established tools and techniques will help you improve your approach to solve the problems faced by your team and your company. You'll be more successful at solving problems and, because of this, more successful at what you do.

Supporting evidence and practices

The following chart illustrates the **rational choice process**:

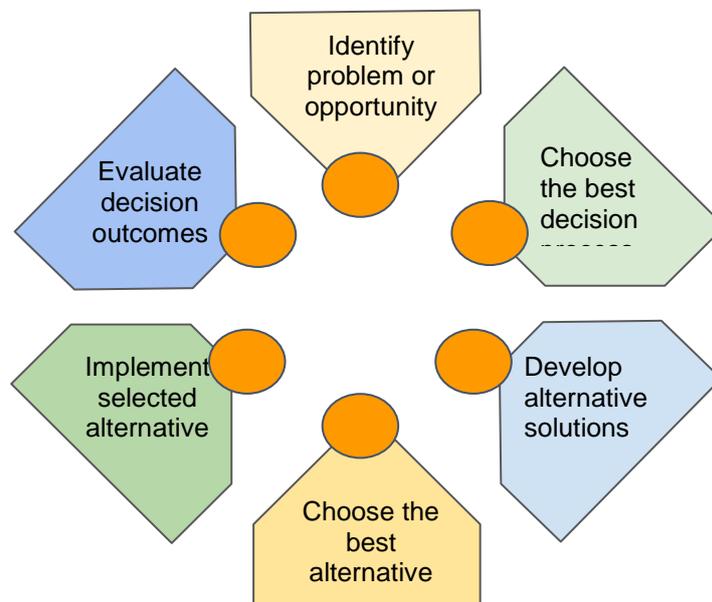


Figure 3: Choice Process

1. The first step is to identify the problem or recognise an opportunity. Problem is a deviation between the current and the desired situation. Opportunity is a deviation between current expectations and a potentially better situation.
2. In the second step we need to consider whether we are facing a routine issue that requires following standard operating procedure based on past experience, or a novel and non-programmed decision.
3. The third step is to develop a list of possible solutions, either by searching ready-made practices or solutions or by designing custom-made ones.
4. The fourth step is to choose from among the alternatives. People naturally tend to select the option with the most favourable outcomes, or 'highest payoff'.

5. The fifth step is to implement the selected alternative.
6. This is followed by the sixth step, evaluating whether the initial gap has narrowed between “what is” and “what ought to be”.

Furthermore, according to an interesting article of MindTools, below you can find out about general problem-solving techniques and learn skills that will help you drill down into the root causes of problems.

Defining the Problem - The key to a good problem definition is ensuring that you deal with the real problem. Tools like [5 Whys](#) , [Appreciation](#) and [Root Cause Analysis](#) help you to ask the right questions, and work through the layers of a problem to uncover what's really going on. At this stage, it's also important to ensure that you look at the issue from a variety of perspectives.

Problem-Solving Processes - The four-step approach to solve problems will serve you well in many situations. However, for a more comprehensive process, you can use Simplex, Appreciative Inquiry or Soft Systems Methodology (SSM). Those provide detailed steps that you can use to solve a problem effectively.

- [Simplex](#) involves an eight-stage process: problem finding, fact finding, defining the problem, idea finding, selecting and evaluating, planning, selling the idea, and acting. These steps build upon the basic process described earlier, and they create a cycle of problem finding and solving that will continually improve your organization.
- [Appreciative Inquiry](#) takes a uniquely positive approach by helping you to solve problems by examining what works well in the surrounding areas
- [Soft Systems Methodology](#) is designed to help you understand complex problems so that you can start the solving process . It uses four stages to help you reveal more details about what's causing the problem, and then set actions to improve the situation.

Books

Markman, Art, Smart Thinking: Three Essential Keys to Solve Problems, Innovate, and Get Things Done, 2012

Kahane, Adam, Solving Tough Problems: An Open Way of Talking, Listening, and Creating New Realities, 2007

Additional resources and links

- https://www.mindtools.com/pages/main/newMN_TMC.h
- <https://www.skillsyouneed.com/ips/problem-solving.html>
- <https://www.mediate.com/articles/thicks.cfm>

Analysis - Ability to build your analytical skills

“Analyze your life your love your future with your improved analytical skills.”

Description of the skill

In the digital age that we live in, in order to be able to run a business –either a start-up or large company- it is really important to acquire strong analytical skills; collecting, organizing, analyzing and interpreting data plays a key role in running successfully a business. It is clear to all entrepreneurs of all ages that data is a powerful weapon and, if used wisely, it can help them achieve their goals faster and more effectively and outrun the competition.

Analytical skill is the ability to visualize, articulate, and solve both complex and uncomplicated problems and concepts and make decisions that are sensible and based on available information. Such skills include demonstration of the ability to apply logical thinking to gathering and analyzing information, designing and testing solutions to problems, and formulating plans.

It is really important to be able to analyse information as, the economic decisions we make impact how we live and the future of companies and markets; The political decisions we make can change the course of legislation locally, regionally and globally; The business decisions we make can enhance the quality of our work and even open doors to new opportunities; The personal decisions we make affect the relationships we have with family, friends and coworkers.

Big data has changed the way startups channel their efforts and the way they create their strategies because it clearly highlights if the company is going in the right direction. Data-driven metrics allow entrepreneurs to make more-informed decisions, to create result-driven marketing strategies, to increase sales and better understand their customers and the way their products address the customers’ needs and pains.

A combination of better understanding, filtering, and application of data can help you solve problems faster - leading to smarter and more effective decision-making. You have to learn how to use Microsoft Office, like Excel, PowerPoint and other common data analysis and communication tools, and maybe most importantly, you have to know how to present data to others in a way that gets them engaged in your story and motivated to act.

There are many examples of analytical skills. A few examples include:

- Analyzing abilities: The ability to take large volumes of data and then analyze trends and produce a result
- Dealing with problems: Give examples of problem solving at work
- Programming: Write a systems programme with accurate results output
- Reporting: A written report on the effectiveness of a particular event such as a political campaign

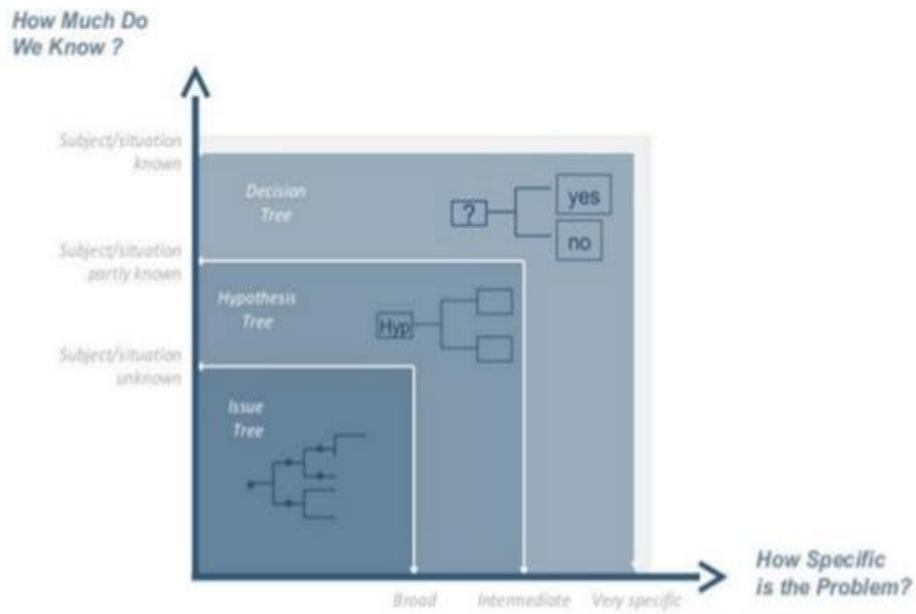
- Handling assignments effectively: Discovering a more efficient and productive way to complete a particular job task.
- Process: Creating a set of steps to implement a process that may have an outcome.
- Problem handler: Identifying a problem and then finding a solution to avoid becoming a major problem.
- Collect information, analyze the resulting, and a solution to a problem

Supporting evidence and practices

In order to be able to further develop your analytical skills, you have to always ask the right questions; realize what you don't know; make no assumptions; don't take what you see at face value; turn information into knowledge. Also you have to have in mind: Why do you want to achieve? What support do you need? How will you achieve your goal? How long will it take you to carry out your plans? Where do you want to give emphasis? Thus will be easier for you to analyse all the information and data collected and make the right decision.

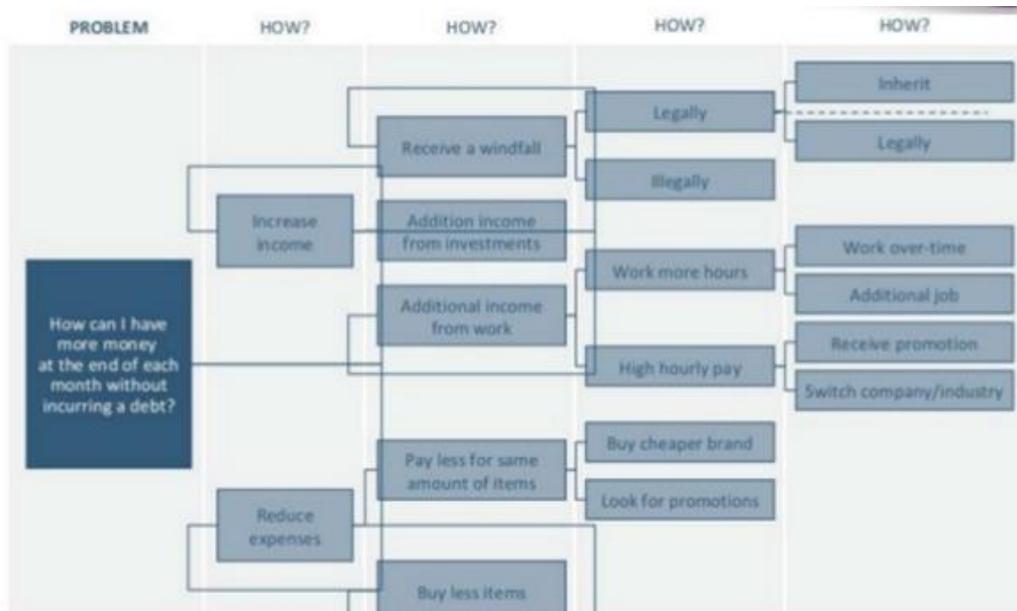
Logic tree is a tool that can help you to push the thought process to cover all aspects of a problem, analyse the collected information and data and make a decision. Logic tree will help you determine right focus and priorities; form foundation for data collection; support establishing stakeholder buy-in; facilitate team work. Logic tree cannot replace thinking and creativity; and it cannot replace detailed analysis. There are three main types of logic trees:

- issue tree – breaks up a problem in subcomponents to identify possible causes;
- hypothesis tree – structure to test/evaluate a hypothesis by finding and verifying sub arguments;
- decision tree – structures key questions to select one of several solutions.



logic tree spread

Figure 4: Logic Tree Spread



logic tree example

Figure 5: Logic Tree Example

Books

Simon, Herbert (1991). "Bounded Rationality and Organizational Learning," *Organization Science* 2 (1): 125–134

Simon, Herbert (1955). "A Behavioral Model of Rational Choice," *Quarterly Journal of Economics*, vol. 69, 99-188

McShane, S. L. & Glinow M. (2009). *Organizational Behavior*. McGraw Hill

Additional resources and links

<https://www.slideshare.net/tonyobregon/developing-your-analytical-skills>

<https://www.zipjob.com/blog/analytical-skills-list-resume/>

<https://www.slideshare.net/CoExist1/analytical-skill-problem-solving>

https://www.powershow.com/view4/4f9840-ZjMyZ/Market_Opportunity_Recognition_powerpoint_ppt_presentation

<https://journal-iger.springeropen.com/articles/10.1186/2251-7316-2-7>

Ability to focus on your buyer when developing product or service

“I provide exercises that get students out of the building. Nothing shapes a student’s perception about their idea or market better than talking with a customer. Most students are uncomfortable when they start a conversation with a potential customer. Once they are comfortable with the skill, it transforms them and their way of thinking.” - Rodney Boehm, Texas A&M University

Description of the skill

What does your startup/company do? Who does it serve, and how is it different or unique?

These are questions startups need to answer clearly, effectively and quickly. If not, your target audiences move on. They are time-strapped, and there are so many competitive options. Building a strong value proposition means to start to gain customer perspective, even before you start thinking about the product or service. This leads us to start thinking about the customers’ needs in terms of jobs or tasks they are trying to get done in their daily life. Customers find and experience problems or have an expectation before getting their job done, in the middle of the process and even after the job is done. This kind of challenges and expectations are not only functional.

There are two different and integrated answers to the question above that are related to a different starting approach:

A. Why a customer should buy my product? – product development

B. What differentiates my product from that of my competitors? - customer approach

The customer value proposition is the keystone for effective product marketing activities. It brings together what customer needs, competitive insight and product valuation. It delivers a concise, supportable statement of the product’s value. It quantifies how this value is based on all possible experiences of the user of the product. The customer value proposition provides a focused approach to understand the target user in the context of your product.

To develop a useful product is necessary to measure the degree of coherence between the values and expectations of the customer and the value proposition of the company. It is strategic to make changes to adjust and customise the product based on the client’s suggestions or point to different types of customers.

The value of a product is not just a question of money, but it incorporates many positive and negative variables that the client should consider when he/she pays to satisfy his/her needs. So the first step is to focus on customer needs (or job to be done). What do we offer to our customer to complete a job or a task? How can we help them to get those things done? Can we make it better than our competitors?

A good value proposition analysis starts by getting into customers job and activities. Customers are human beings or institutions made by rational people that try every day to getting something done. The best things are starting with the tasks they are trying to perform and complete, the problems they are trying to solve, or the needs they are trying to satisfy. What functional jobs is your customer trying to get done? (e.g. perform or complete a specific task, solve a particular problem, ...). What social jobs is your customer trying to get done? (e.g. trying to look good, gain power or status, ...). What emotional jobs is your customer trying to get done? (e.g. aesthetics, feel good, security, ...). What basic needs is your customer trying to satisfy? (e.g. communication, sex, ...).

Two aspects should be taken into account: 1) Try not to think at your solution or the current ones; 2) try not to think at a specific or specified customer.

The aim is to come up with the most exhaustive list of pains and gains related to activities, jobs and needs. This will be helpful for two reasons: 1) it broadens our chances of differentiation and makes positioning easier; 2) it helps to understand the market and our competitors in particular because it allows us to understand better the type of needs we are serving with our product.

The critical part of this process widens the comprehension of your customers by focusing not only on functional jobs but also on social and emotional. This could lead to sketch out the pains and the gains related to this type of jobs. (e.g. Big Ben in UK, Rolex and Patek Philippe watches).

Pains and Gains will become the core of the Value Proposition Canvas. They expressed the bouquet of expectations, fears, problems and obstacles a customer experienced in getting his job done. It's always better to consider (where possible) the three types of jobs (emotional, social and functional) because it helps to understand the pains and the gains better.

Depending on the person you sketched for your customers, and how the problems are ranked, you can find the perfect fit for every type of customers, using only its socioeconomic outlines. Even if you satisfying a basic need, customers are social and emotional beings, who are trying to affirm themselves among others and to find a specific emotional state. Mapping all these things in the customers' segment of your value proposition canvas, it can lead to widen the comprehension of customers and find more space to compete, a better value proposition and maybe a better business model.

Once we explain the customer's needs, and pains and gains outlined in the broadest way possible, we should rank them: the pains and the gains should be classified by sorting the intensity and the urgency with which each of the pains affect the customer's map. This will help us in understanding what gain creator or pain reliever is to be built or invest on. In doing so, we have to start with a question: Who are the people who are trying to get this particular activity done?

To better understand which is the best target customer you should focus on, it is critical and vital to segment the market and understands how to direct its communications. Start defining client based on their work, their hobbies or their role/involvement in society (sports associations, volunteer work, parishes, scouts, nightclubbing).

Supporting evidence and practices

To better understand the implications and the ratio between product/services and customers, we can use a tool, called The Value Proposition Canvas (VPC), a useful visual tool that zooms in on two important blocks of the Business Model Canvas: Value proposition (the central block on the BMC and the left side, “the square”, in the VPC) and the customers segment. This tool can help you brainstorm, make hypothesis and even drive your market test and pivote decisions.

It is divided into two sides: on the right side is the customer segment. Customers are intended to try to complete job or tasks that can be 1) functional; 2) emotional or 3) social. In doing so, they experienced problems (or pains) and have expectations (gains), that can be functional, emotional, or social or everything at the same time.

On the left side is the “The value proposition” which is also divided into three: 1) products and services (your future product and services or the ones already on the market), 2) gain creators; 3) pain reliever.

Most small companies cannot afford the complex and costly consumer tracking studies used by larger, more sophisticated competitors, but they can conduct low-cost or free qualitative research and collection of feedback:

Talk to buyers and consumers about product satisfaction and purchases. From a marketing research standpoint, this is biased, qualitative research without standard interview controls. But it is timely information and may be actionable. And it puts you at point-of-purchase, closer to your buyers (e.g., retailers) and final users.

Conduct a test for levels of advertising spend on different test markets or, with just one business in one location, over different periods. It is relatively easy to vary introductory spending in each market if you are testing many geographical markets. However, there should be significant spend differences of at least +/- 50 per cent in each market for each spending variable. Small companies (e.g., one store) may need to change spending levels overmatched periods and compare sales results. For example, try increasing your local newspaper advertising spend by 50 per cent in the same quarter of the previous year.

Examine weekly company sales receipts for new account sales, compared to receipts for reorders. This is an indirect, but free way to measure initial purchase vs. reorder sales.

Books

Value Proposition Design: How to Create Products and Services Customers Want, Alexander Osterwalder

Additional resources and links

Pamela Hudadoff, The Customer Value Proposition Differentiation through the Eyes of Your Customer

<http://www.engr.colostate.edu/~marchese/stese/reading2.pdf>

<http://www.entrepreneurial-insights.com/business-model-canvas-creating-value-proposition/>

Marketing Audit for Knowledge Intensive Business Services Ettore Bolisani and Enrico Scarso Department of Management and Engineering, University of Padua, Vicenza, Italy

Improving Customer Participation in Knowledge Intensive Business Services Mekhail Mustak Turku School of Economics, University of Turku, Finland

<http://www.businessdesigntools.com/portfolio-items/persona-canvas>

<https://www.bizfilings.com/toolkit/research-topics/marketing/products-pricing/generating-and-evaluating-new-product-ideas>

Competition - Ability to keep a close eye on your competitors

“Learn your industry and your competition before you start” - Carl Koop, Bijou Basin Ranch

Description of the skill

In the modern world, overstuffed with all kinds of content and information noise, you have to stand out dramatically from the competition to be seen. While there are many ways to try, one of the easiest ways to perform better is to learn from your competitors. And doing it much better. If you're doing the same thing as everyone else, how do you expect to stand out? Or worse, why should anyone buy from you if they're already buying the same at other places.

This is why competitive analysis is so important.

Supporting evidence and practices

Understanding what is going on outside of your business is an essential part of strategic planning. There are some useful analytical tools available to help you know crucial factors in the business environment and competitive drivers in your industry as an initial step in undertaking competitor analysis. Besides, many businesses try to understand, in some detail, their competitors are doing.

There is an emerging market, which provides tools for online competitive analysis. You can find 15 of them in [this article](#), which are useful with a basic understanding of digital marketing. Some of them offer free initial service but it is payable service if you want to have more features. Still, you can do a lot using these simple steps, provided by [impactbnd.com blog](#).

- Identify five to ten competitors in your niche.
- Analyze and compare competitor's web page content - see what they are doing
- Check their social media integration - what they are posting, how often, how many followers do they have?
- Identify areas where your online presence, products and services can be improved.
- Propose improvements

When you will have your improvements ready, use the growth hacking techniques. Sometimes, method can work for one and not for someone else.- so benchmark your important goals and see the difference.

If your business is starting to be local and not so digitised, try to identify the area in which you will sell your product or service. Then, you can practise some basic market research tricks, such as:

- Shop from your competitor's store: Depending on which business you are, you can probably call them, visit their offices and maybe buy from them. Get a price list.
- Discuss with your competitor's customers: What they like or dislike? Why and how do customers decide for them?
- When competitors are local, take a look at the phone book or other directory, and count the ads of the businesses they compete with. Analyze what other businesses say in their ads, which points they highlight. Also, check local newspapers, especially if you are in the business meant for general public (like installation of air conditions).

Still, without going online you will lose significant information of what your competition is doing.

Books

- Business and Competitive analysis - <https://www.amazon.com/Business-Competitive-Analysis-Effective-Application/dp/0132161583>

Additional resources and links

- <https://hackernoon.com/9-reasons-nobody-pays-attention-to-your-content-you-need-to-hear-this-77bbcd01faa0>
- <https://awario.com/blog/5-reasons-to-keep-a-close-eye-on-your-competition-on-social-media/>

Planning-Ability to plan your roadmap

How will your business be like in three years? Do you have a road map to get from today to your envisioned tomorrow? Will you be a few steps closer to realising your vision by next year? No one can predict the future. But if you don't change anything, the future won't be any different from the past.

Strategy means consciously choosing to be clear about your company's direction. With this knowledge, you're in a much better position to respond proactively to the changing environment.

For new entrepreneurs, business plan and the strategic plan appears the same. Here are the differences:

Business plan	Strategic plan
<p>It is about what you will be doing to earn the money. It is the base for your whole company (long term plan).</p> <ul style="list-style-type: none"> -Define the purpose of your business -Provide structure for the main idea -Describe your idea to potential investors 	<p>It is about how you will achieve your business goals in the next three to five years (short term plan).</p> <ul style="list-style-type: none"> -Defines which market opportunities we will pursue -Provides focus and direction to move from plan to action -Prioritizes your financial needs -Helps build your competitive advantage -Provide milestones and benchmarking (this is part of operational plans for big companies)

In short - you need steps and deadlines for your business to know if you are doing well or not. It is a recurring process which needs to be followed regularly, normally every quarter of the year.

Supporting evidence and practice

Consider excerpt from the statistics by [Balanced Scorecard Collaborative](#), an organisation which focuses on management strategies in companies:

- 86% of executive teams spend less than one hour per month discussing strategy.
- 60% of organisations don't link strategy to budgeting.

So what's the eventual result of these surprising revelations?

Hard business and even failure.

Actually, strategic planning can be fun. Creating something from your dreams and ideas – it can be one of the most exciting and rewarding process you’ll go through. The reality is, you already have a strategic plan – even if it’s only in your head. So, go the extra mile, write it up (it can be as fast as just a couple of hours work).

Basically, elements of your strategic plan should be:

- A mission statement and a vision statement
- Long-term goals and objectives
- Strategies to use to achieve these goals
- Action plans to realise these strategies

In reality, structured strategic planning isn’t something more to do; it’s a better way of doing something already being done.

Books

Strategic Planning For Dummies - <http://www.dummies.com/store/product/Strategic-Planning-Kit-For-Dummies-2nd-Edition.productCd-1118077776,navId-322439,descCd-tableOfContents.html>

Going Digital - and online

“Companies decided not to be a part of digital revolution are going to disappear in less than 10 years [...]They have no choice but to reinvent themselves.” - Pascal Buffard, CEO of Axa Technology Services and

If 85% of all companies are thinking about the digital transformation - isn't it then the right time to think about it at the startup of the company? The reason for that is dead simple - your customers!

The Internet is part of your daily routine. It is not something that is used occasionally, and it is not just about social media. The Internet is now a base for all business communications, and customer convenience is probably the most critical factor, as 71% of the customers believe they will get a better price online. The Internet also means access to a worldwide market and exploitation of global competition.

Usage of digital resources has two different areas - internal and external. Internal digitalisation is the process to organise our internal processes, and external digitalisation is how our customers can access and reach us, buy from us and enjoy the products and services we offer. While external digitalisation is almost always online, significant companies use internal digitalisation still on their computers and servers on their premises. In recent years, cloud-based solutions are coming forward and leading new transformation - off the premises digitalisation - going cloud.

Supporting evidence and practices

One relatively recent survey of 550 startups from BestVendor found a majority use cloud-based resources: QuickBooks (71%) for accounting, Google Analytics (70%) for BI, Salesforce.com (59%) for customer relationship management, and Dropbox (39%) for storage and backup. In 2018, there was a report about 280 North Inc., a San Francisco-based startup which produces presentation and Web development software. The founders said they incurred initial monthly expenses of about \$4,500 a month by using code available free on the Web and renting storage from Amazon Web Services. As Chris Sacca, a 280 North investor and former Google Inc. executive, said: “The biggest line item in these companies now is rent and food... A decade ago, I didn't think you could write a line of code for less than \$1 million.”

Cloud usage definitely means a shift in user thinking. You don't know where your data is ... but for a small fee (or even free of charge), somebody else is taking care of backing up your files, taking security measures, all the time. You do not need to carry your files around, and you can access and edit your data through your phone, tablet or notebook. It's the perfect mobile office!

Office need

Microsoft office is still a de facto standard for office use. In the past, Microsoft shaped market with the unique user experience, interface and file structure. Everybody knows .doc and .ppt files and Powerpoint is the generic name for the slides.

But with the internet and clouds, things get changed. Google produced its own Office suite completely free and offered collaborative work on the same document. You can work on your marketing plan document in real time with your counsellor who is in another country. Or at the same time with the whole team. Just imagine doing this offline - everybody sends their part by mail, one is updating, leaving something unintentionally behind, send merged file again, getting feedbacks ... It's tedious and nonproductive work.

Some old Microsoft Word users said the Google docs are not as versatile as Word. Maybe it is true, but it is also right that statistics is telling that 90% of the features are not used by the majority of the users.

This is not a question related to Microsoft Word or Google Docs - it is about offline or online tools, their benefits and money savings. There are all offline tools that you need to install, update regularly and in general, pay it (such as Microsoft Offices). So, why someone paying for this, if there are other online alternative ways, free of charge, non-installable and no maintenance?

For 90% of the offices, free Online Microsoft Word stripped down version of Word 2016, is the perfect tool. Or you can use any of the free online office suits you, which is [described in the following article](#).

Software as a service (SaaS)

This title may be daunting, but it denotes merely some piece of software that someone else builds it and it can be used using the browser. This software can be your everyday tool - from accounting, design, customer relationship management or gaming. It is essential to know it has attached business model. It means, it is payable on a monthly basis, but in general, every provider offers a free version of the basic version of the software. For the smart entrepreneur, it can set up the entire office with some versions of that software for free.

It is not just what you need for the daily tasks of your organisation. Cloud-based solutions give you the opportunity to offer your services or products to the audience more accessible than ever.

- If you need a basic website, you can prepare it by yourself without any technical skills, just one afternoon, using the templates provided by different services like www.wix.com or www.web.com. You can find [other options in the article here](#). All of these providers also offer online shops and online credit card payments. What just a few years ago seems to be impossible for an entrepreneur, now it can be done fairly easy.
- You can offer your products (or even services) on big online shopping schemes - like eBay, Amazon or Shopify. In these platforms you do not need to think about how to set up your online shop and how to process payments - you just need to focus on your product. These providers also offer different analysis tools to track prices on similar products and where they are sold, but you need to remember that you will be amidst the fierce competition. The good point is that it is not costing you a lot to test and try, but still it takes a lot of time and patience to be

found and recognised. In this article, you can learn how to set up an online shop on Amazon.

Business organisation

While we cannot provide you with the answer to what you will be needing for your business, since it is different for every company, here is a list of the items you should think about.

- Organising the work for your group: it is essential to know that arranging the tasks for the whole team and communicate it to them, especially if you are sitting in the different office, is not an easy task. The time that the old emails and spreadsheets used has passed, and there is plenty of tools which demystify coping with all information. You can use [Trello](#), [Airtable](#) or [Yalla](#).
- Workflow management - organise the processes you use in your company: Probably we have never heard about them, but these are the perfect tools to coordinate your work. If you have, for example, a regular process to prepare documentation for your accountant, you can set up all the steps for the operation and then put them in motion. The people involved in the process do not need to know the full process - they just need to receive the task, do it, add files and click the “Done” button. The process automation software will store info and send it to the next person in the process. Using that, you have completed an overview of where you are in the process, what is due deadlines and you have performed an analysis. You can use [Pipefy](#), [Elegantt for Trello](#) or [Process](#).
- Customer data is probably your most important asset. Dealing with the customers, sales management and the storage and organisation of all of your sales data at the one place is ‘a must’. You can use free or paid version of the [Bitrix24](#), [Podio](#) or [Wrike](#).

Additional resources and links

- How Cloud Computing is Fueling the Next Startup Boom - <https://www.forbes.com/sites/joemckendrick/2011/11/01/cloud-computing-is-fuel-for-the-next-entrepreneurial-boom/#6f57e8a01db8>

③ Idea generation and testing of the idea

You, as a creative person, generate ideas every day.

To create ideas, you need “inspiration”. The inspiration can be a solution for a problem that appears during work or a new way to use a product or an opportunity that you saw discussing with someone.

As an entrepreneur, you encountered problems. In every business, due to the processes that take place, problems may appear in different departments or operations, such as Human Resources, Production, Selling, Marketing, Finance, Development Department, etc. Some problems/ developments can be solved/ introduced on the spot, but for others, a more elaborate and complex process is needed to get to a suitable solution and to the proper implementation. Sometimes the answers are the inspiration for a new business idea.

If you implement the learning organisation and use the ideas generated by your own employees for developing the business, your company can scale up (take the example from Toyota, Asus, Ikea). The employees can have good ideas, since they are dealing day by day with problems, and it is not always the revolutionary ideas that are suitable, but sometimes the apparent are the right ones. For these businesses, it is important the reward system for the employees is structured, in order to generate new ideas, since it was observed that not the pecuniary reward is not always an incentive and motivational enough.

Employee involvement in generating ideas has the following advantages:

- the group activity is encouraged, generating contagious behaviour and competitive endeavour; getting the right solution is facilitated by the issuance of multiple and varied assumptions (D. Ausubel, 1981)
- the people who work in a team are able to apply and synthesize knowledge in various and complex ways
- stimulation and development of complex cognitive capacities (divergent thinking, critical thinking, lateral thinking - the ability to look and study things in another way to relax thinking control);
- allows the assignment of tasks and responsibilities into much more parts easy to achieve
- the time required to solve problems is often shorter in the case of group work than when you are trying to find solutions by yourself

Different authors described techniques for generating ideas. You can find below 2 of those techniques:

1. BRAINSTORMING

The rules you have to use in a brainstorming session are:

- Have a group with a maximum 3-4 people
- The discussions should not take more than 10-15 minutes
- No one should judge and criticize the ideas generated
- Generate as much ideas you can
- Say the first word/ idea that comes into your mind
- Use the ideas of others as a starting point for new ones.

Someone should write down the ideas and, after the session, the ideas should be evaluated and ranked. The best ideas are emphasized and developed.

2. SCAMPER

The SCAMPER Technique or SCAMPER Approach enables the companies to come up with new products and services, develop them and/or improve them.

SCAMPER is an acronym for Substitute, Combine, Adapt, Modify/Magnify, Purpose, Eliminate/ Minify, Rearrange/ Reverse.

To apply this technique you have to choose an existing product or service (or a product that you want to introduce), generate questions (see examples below) for each of the 7 steps, answer to the questions (you and your team), categorize the answers in 3 categories: “useful”, “somewhat useful” and “not useful”. Use the “useful” ideas but do not forget, from time to time, to look also to the “somewhat useful” ideas.

The SCAMPER method

S	Substitute	<p>Which materials or resources can be changed in order to improve the product?</p> <p>Which other product can be used?</p> <p>Which parts of the product can be replaced with others?</p> <p>Does the product have different possible applications and usage?</p>
C	Combine	<p>What would happen if the product is combined with another product?</p> <p>Would that lead to a new product?</p> <p>Can the product also be used for another purpose?</p> <p>With what other product or service can the current product be combined in order to maximise its use?</p>
A	Adapt	<p>Can this product be adapted for another use?</p> <p>In which different context can the product be placed?</p> <p>How can the product be adapted to make its function even better?</p>
M	Modify/ Magnify	<p>How could the shape or appearance of the product be changed?</p> <p>What can be added to the product?</p> <p>What could be emphasised to the product to add value?</p> <p>Which part of the product can be changed in order to create something new?</p>
P	Purpose	<p>Can the product be used for a different purpose?</p> <p>Who else can use this product?</p> <p>How would the product behave in a different context?</p> <p>Can the product's waste be reused or recycled?</p>
E	Eliminate/ Minify	<p>What would the product look like if we simplified it?</p> <p>What features, components or accessories can be left out?</p> <p>How can the product become smaller, faster or lighter?</p> <p>What if we removed a part of the product?</p>
R	Rearrange / Reverse	<p>What if the product is reversed?</p> <p>What if parts of the product were assembled in a different order?</p>

The answers may vary and will always include ideas that are not useful or do not suit the circumstances.

These are only 2 of the techniques for generating ideas. Also creative techniques are: “6 hats” (E.de Bono)- a version of brainstorming in which each person/ hat has a specific role and has to generate ideas based to his/her role; “6 steps”(R. A. Black) – you have to identify and define the problem, take a piece of paper and write 12 different ways to solve the problem, hide the paper and do something else for 1 hour; take another piece of paper and write 12 different ways to solve the problem and then compare the 2 papers.

1. <http://idei-de-afaceri.eu/wp/metode-de-generare-de-idei-de-afaceri/forum.portal.edu.ro/index.php?act=Attach&type=post&id=1982896>

2. <https://www.smartbill.ro/blog/proces-generare-idei/>

Book: Gheorghe ONUT, Masina de Idei- dictionar de tehnici creative

<https://www.toolshero.com/creativity/scamper-technique-bob-eberle/>

How to test your business idea

Before you make any life-altering changes that can't easily be undone, take some time first to evaluate your business idea to see if it will work. The first step of the process is to do some research and analysis to dig into the potential of your idea. Here are a few ways to get you started.

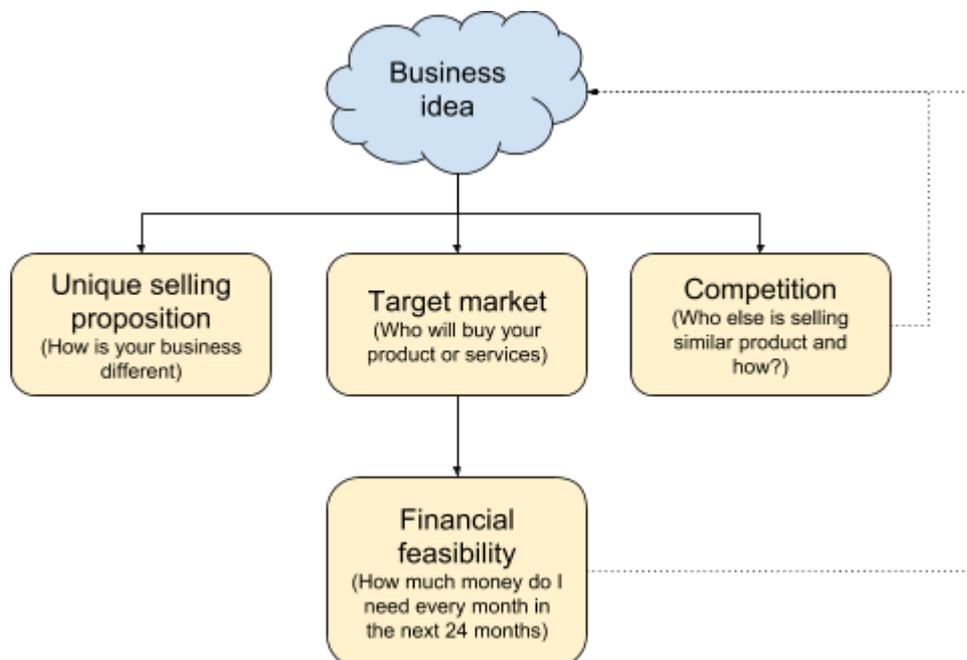


Figure 6: How to test your business idea?

Unique Selling Proposition

The Entrepreneur.com encyclopedia defines the unique selling proposition as follows: *“The factor or consideration presented by a seller as the reason that one product or service is different from and better than the competition.”*

But what does that mean? How will a unique selling proposition help my business?

Many entrepreneurs make the mistake of attempting to stand for everything when they first start. They want to do everything good, and they want to be known that they are doing everything. For having the highest quality products AND the lowest prices AND fastest delivery AND super customer support.

“When you attempt to be known for everything, you don’t become known for anything...” - Joe Putnam, founder of www.conversionEngine.co

A unique selling proposition is a game between your buyer and you. If we imagine you like somebody in the water and your buyer as somebody on the shore, you will probably be in the crowd of swimmers. How your buyer will distinguish you from the group? You will have a better chance if you have a different swimming cap, maybe you will be the only one who does not need inflatable swimming ring, perhaps you will have a gift for him/her?

If you want to stand out, i.e. if you're going to “have a unique selling proposition,” your business has to stand for something - this is what you will become known for. Holding for everything is impossible. Even if you pull this off for your first sale, you will not have the energy to do this in the long run.

We can study Starbucks as a great example of unique selling propositions. It was involved from a small coffee shop in Washington to one of the most recognised coffee brands in the world. This was done, well guessed, through the development of a unique selling proposition.

Starbucks doesn’t stand for premium coffee beverages AND the lowest prices. If so, it wouldn’t stand out from corner gas stations. The reason it stands out is because of its premium coffee and the free space offered for reading, and to have a pleasant conversation, without being asked if “you need anything else”. That’s why Starbucks stands out from the corner gas stations that sell coffee for 1 Euro. If instead, it was trying to compete head-to-head with gas stations on the price, quality would suffer, and their product wouldn’t be unique. Starbucks wouldn’t be able to stand out because of its premium coffee. And it is true - while we love its coffee, we know that we will spend much more on Starbucks products.

Think of the famous Domino's Pizza slogan - *“You get fresh, hot pizza delivered to your door in 30 minutes or less or it's free”* tells you exactly why you should buy from them. Their uniqueness is in the fact that you know that you are risk free when ordering pizza from them. Buyer loves that.

Identify a Target Market

The next important step in testing a business idea is to define who will buy your product or service. The easiest way is to imagine who will be the first to bite your unique selling proposition. Who has the problem that you will solve? Consider factors such as age, gender, education level, income, and a location. The more you can narrow down the picture of your ideal customer the better. You won't be able to figure out if there is a market for your product or service until you have a distinct idea of who you are selling it to.

For example, if you have a business idea to renew bathrooms - you need to define who your primary customers are. If you start with unique selling propositions before renewing bathrooms, you will be providing a free 3D model of a new bathroom, you can more easily define your customer. Probably, your customers will be young with easy access to the internet, who like new designs and are refurbishing old flats or houses. By keeping this in mind, the promotion, pricing, and distribution of your products and/or services are easier and more cost-effective.

It can also be helpful to create a test segment of your target market and conduct a focus group or a survey to find out what is their profile. Then, you can decide whether it makes sense to launch your business to a segment of your market to gauge response before committing fully to your business idea.

Determining the size of the market is not easy, and it should be identified regularly due to market fluctuations, new technologies, new approaches, etc. In the following article, you can find some ideas on how to determine the size of your market:

<https://www.fieldboom.com/blog/market-size/>.

Define your competition

We've been talking about the competition in Chapter 3 - Soft Skills - ability to look at your competition. The reason why we are referring to it again is that Unique Selling Proposition, Target market identification and Definition of the competition are coming hand in hand in this stage of developing your business idea. You cannot really define the target market if you don't know what your competition is doing and what segment of the market is focusing on. Also, you cannot create a valuable, unique selling proposition if you don't know to whom you are selling it. This connection requires a few iterations of the definition of all three segments before it integrates into your business idea.

Financial feasibility of your startup

When you are aware of the size of the market and who your competitor is, is time to see if, from a financial perspective, your idea is worth developing, if it will be sustainable, and how much profit you can expect from it. It is a crown of all your efforts before the business idea will really be physically developed.

By comparing your actual financial statements to your projections, you'll be able to see whether your company is falling short of your projections or surpassing them. If your projections are falling behind, then you'll need to make some changes into your financial model by increasing your products' prices, reducing costs or revising your business model. On the other hand, if your revenue exceeds your projections, then you may need to hire more employees, expand your facilities or seek funding earlier than you expected.

In other words, this process will answer the following questions with the following answers:

If I set up an ice cream shop in the center of the city, how much money I will earn?

To answer this, you will need those three elements: 1) *financial model*, 2) *sales forecast* and 3) *projected expenses*.

- 1) The financial model is the key for your business, since it defines what you will be selling, how much money you will earn and how often you will be getting it. It determines where your money will be coming from.

For example, Airbnb in 2007, on their money rising pitch defines that they will take 10% of commission on every sale they will make. You should try to do the same for your business. How many customers can you expect? How many units will be sold? What is the cost of goods sold? How will you price your products? Your financial model will be less complicated and you will have less hassle when you will try to see the sales forecast in the following steps. If you don't know how to start, maybe this model can help you understand how market works <https://strategyzer.com/canvas/business-model-canvas>. See also chapter 8 of this handbook.

- 2) The sales forecast needs two previously defined numbers – the size of the market and your financial model. Based on that you can project your sales for at least three years, including monthly sales for the first year, then quarterly for the following years.
- 3) The projected expenses, which includes both fixed costs (e.g. rent) and variable costs (e.g. marketing expenses). You don't need to do an incredibly detailed breakdown, such as listing the cost of every chair you will buy. .But you do need general figures.

Now you can see your business from totally different perspective. Maybe it is clear now that you need to start right away. In general, every idea needs shifts and game of combination. Prepare a spreadsheet, apply formulas and start what-if scenarios. What will happen if we will have such and such number of customers? What if we will have too many customers, how we can expand the business? Or, what if we cannot attract enough customers?

How many customers do we need?

Nevertheless, there are a lot of financial model templates, do not make the mistake to use too complicated models that you do not understand. You need to start with simple logic, which can be calculated in your head.

For doing this, you need to first calculate how much money you need every month to “survive”. Check how much money you need for rent, salaries, taxes and give an overhead of 20%. You also need to calculate the cost of sales - do you need a car to deliver products or you will ship it? Do you need material to develop and create your product or are you a software developer? Doing this, you will be able to calculate the minimum amount of money you will need every month.

Expenses per month	Euro
Salary brutto	2000
Office costs	400
Accounting costs	50
Running business costs (taxes, insurance ...)	400
Costs for marketing (adds, fairs costs ...)	300
Total:	3150

Then, you need to calculate how much, in general, your product costs.

Note: In this example, just for the sake of clarity, we didn't take into consideration the cost of our time spent on the development of the business.

Price per average item	Time	Working cost per hour in Eur	Euro
Cost of material and wrapping			5
Time to make it	1.5	20	30
		Subtotal	35
Overhead	20%		7
		Total	42

This calculation shows you that you cannot sell the item below 42 Eur or you lose your money.

Final calculation is now easier

Items to be sold per month	75
Items to be made per day	3.75

This is very important information. You see that you will need to produce and sell at least 4 items per day. Can you do that? Will you manage to sell that number of items? Can I sell them on the fair stand or I need to make an online shop, market it to my target audience? All that questions are now easier to answer.

Use all the information to fulfill the Business Model Canvas (see chapter 8), in order to take a decision.

④ Identifying real market needs and gaps & developing your value proposition

The inspirational [Osterwalder's Business Model Canvas](#) is like a blueprint for a strategy to be implemented through organisational structures, processes and systems. It is a strategic management tool that allows you to describe your business model.

The definition of the value proposition is part of this system and it is a valuable tool for every entrepreneur. A template to start using this model [is available for download here](#). With the steps below you can see really fast what your customers are doing, what problems and needs they have and how you can make better services and products which will satisfy the customer and you as an entrepreneur.

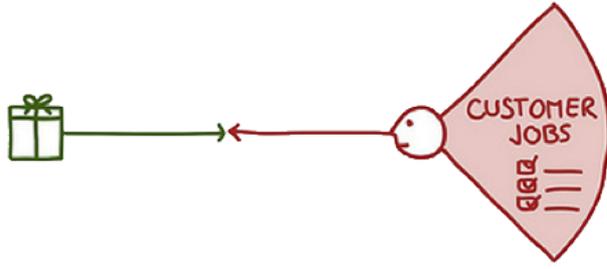
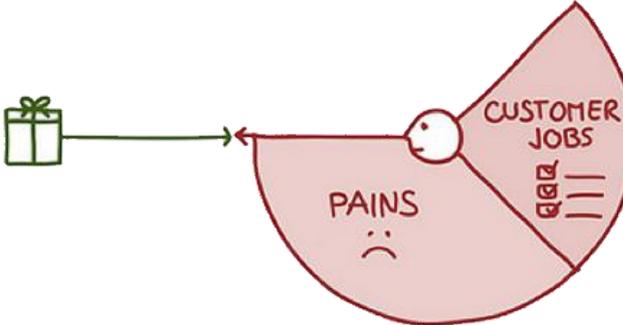
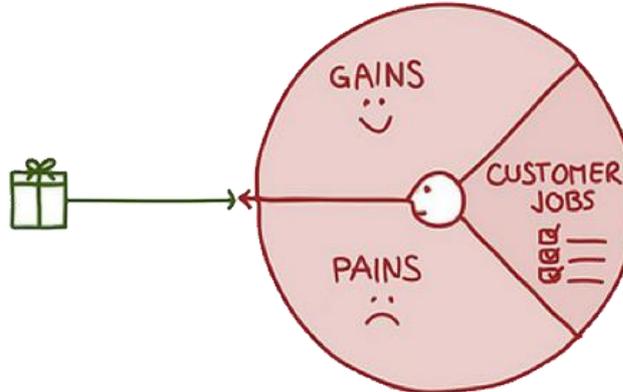
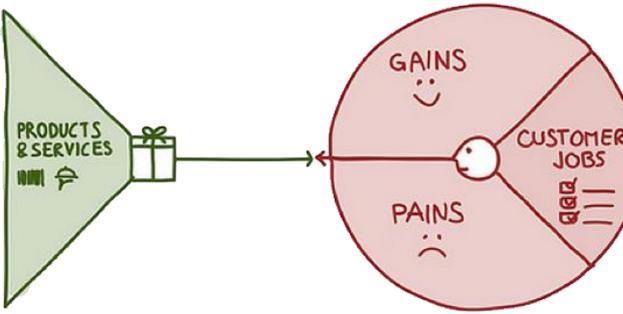
Customer segments

Customers are the base for any business. In order to better satisfy customers, a company may group them into separate segments with common needs or other property.

Customer groups represent separate segments if:

- Their needs require and justify a distinct offer
- They are reached through different distribution channels
- They require different types of relationships
- They have substantially different profitability
- They are willing to pay for different aspects of the offer.

Customer segments needs to be defined as a first step to identify market needs and define value proposition. When you have this information you can proceed to the rest of the model.

<p>Customer jobs</p> <p>What is your customer doing? What problems do they solve? What are the tasks they are trying to complete?</p>	
<p>Customer pains</p> <p>What are the negative emotions your customer may have while doing their jobs? What undesired costs, situations or risks do they face?</p>	
<p>Customer gains</p> <p>What are the gains and benefits of your customer with the existing products and services they are working? Why do they love the existing products?</p>	
<p>Product and services</p> <p>Here you list all the products and services which your value proposition is built around. This includes for example the services that you offer or the help the customer receives either a functional, social, or emotional.</p>	

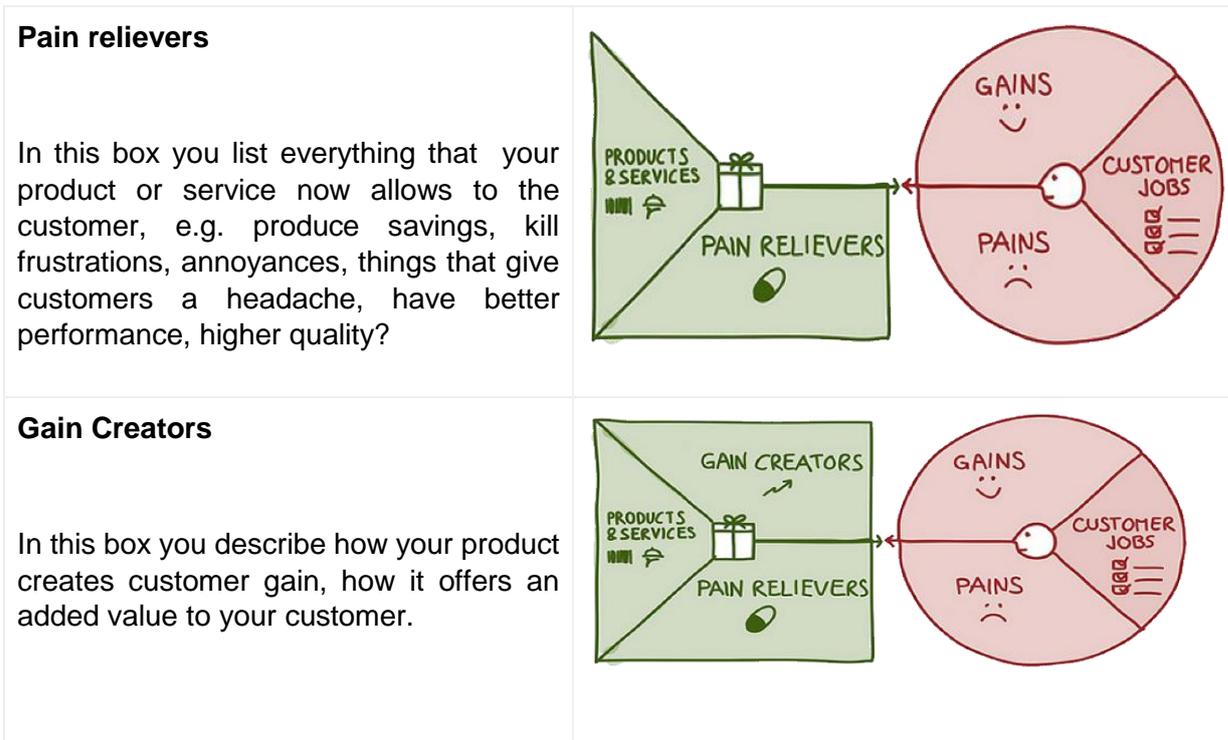


Figure 7: Value Proposition

Based on this description, you can now define a good value proposition for your company. According to the article of “Marketing experiments”, the proposition needs to have the following properties:

- Clarity! It’s easy to understand.
- It communicates the concrete results a customer will get from buying and using your products and/or services.
- It says how it’s different or better than the competitor’s offer.
- It avoids hype (like ‘never seen before amazing miracle product’), superlatives (‘best’) and business jargon (‘value-added interactions’).
- It can be read and understood in about 5 seconds.

According to [research on how people recognise value proposition](#), it should consist of:

- **Headline.** What is the end-benefit you're offering, in 1 short sentence. It can mention the product and/or the customer. It should be an "attention grabber".
- **Sub-headline or a 2-3 sentence paragraph.** A specific explanation of what you do/offer, for whom and why is it useful.
- **3 bullet points.** List the key benefits or features.
- **Visual.** Images communicate much faster than words. Show the product, the hero shot or an image reinforcing your main message.

If you want to see real world great value proposition, you can check the following video: <https://www.impactbnd.com/blog/value-proposition-examples>.

Additional information can be found in ch. 10.

5 Building a winning team that will lead to company growth

BUILDING A TEAM

In the company's development process, managers need to build their work team, as the company increases its workload and financial availability to pay more people. It is the managers' task to ensure that they have selected the most suitable people, train them and provide them with the support they need to perform. Generally, all managers want their staff to be able to act as a team when they needed. Traditionally, a team is defined as a small group of people who meet and work together in the short term to solve a problem; after the task has been accomplished, the team members separate.

But managers want this model to become permanent, more precisely, they want to have flexible people who are able to leave their routine tasks, who are able to work with their colleagues, who are able to understand and focus on clear goals. Thus, the ability to work in a team's staff is seen as a necessary and mandatory condition for performance.

What are the benefits of Teamwork?

- To capitalize on the intellectual / emotional resources of each member
- The group facilitates learning, all team members learn by imitation from others
- A sense of loyalty towards the team and implicitly for the organization is induced to the members
- It produces positivity between group members and bonding, the satisfaction of the work done together is higher than in individual cases.
- Group members learn to take responsibility for their work, in a higher level than they do individually, because in that way they can now directly see the results of their work.

In order to work effectively in a team, both team members and managers need to be prepared to develop working, management and control mechanisms.

Managers need to be aware that they are the main responsible person for the good functioning of a team and that their leadership style has to adapt to the running cycles through which a team goes. Note that a team goes through several phases and life cycles (orientation, determination, performance, etc.) and that these phases continue (on a smaller scale though) whenever a new member joins the team. Also, it is not mandatory for a team to evolve organically from one life cycle to another; some teams fail to go to a higher stage of development to perform, so they stagnate or regress in an intermediate phase.

In order **to perform well**, the manager / coordinator must support the team as follows:

- *Establish clear objectives and priorities* for the team and get the members' commitment for those objectives; in order to achieve adhesion and recognition of goals, managers have to involve team members in goal setting.
- *Establish the number and quality of team members*; as a team has a higher number of members, the participation and the equal involvement of all members is harder. Under these circumstances, the level of responsibility of the members decreases and the manager must adopt a more authoritative style of leadership. Groups larger than 20 people find it very difficult to make a decision because they tend to be divided into subgroups.
- *Set up an efficient, rapid communication system* and facilitate direct interaction between team members, address possible conflicts.
- *Sharing the tasks fairly and equitably*, taking into account the experience and experience of each member and could encourage them to work with each other. When managing relationships between team members, managers must remember that each team member has a certain status (a position recognized by others) that he/she has acquired in terms of education, experience, title, age, gender, etc. and they all have a role. People want to stand for their status and they take advantage of it for playing the role as they understand it; so conflicts may arise for how members of a team perceive their status and roles. People with higher status have considerable influence over others and play an essential role in setting up and achieving goals. Typically, a *team supervisor* must be a person who enjoys the highest status and performs well in the five key management functions: planning, organization, recruitment, management and control. If some members are dissatisfied with their status or role, they tend to not follow the rules and implicitly to initiate conflicts or they leave the group.
- *Establish and observe compliance with rules and conduct norms*, establishing procedures for assessing the activity. Managers should be mindful of the fact that the group has its own dynamics and culture and that it sets a set of rules of behaviour, values and norms in an informal way that can support or sabotage what the manager is watching. For example, if the norm of a work is beyond what the group has unofficially agreed, the group can exert psychological and physical pressure on those who go beyond the norm, going into marginalization and exclusion.
- *To help them learn from previous experience* by highlighting the positive and negative aspects, by formulating some conclusions regarding the development of the work

The crucial role of the leader is to understand the stage of development / functioning of the team and to act managerially in such a way as to help them to overcome any obstacles and difficulties.

Stage of team development

Stage of team development	Description of the Stage	The type of suitable leadership
Orientation	<p>It is the start-up phase of the team, when members are nominated and task division is taking place: planning activities, allocating resources, getting to know each other and becoming familiar with each one's work style. This is the time when the group develops or learns styles and behavioural norms. At this stage, team members may be anxious because they do not know each other and they do not know what to expect from this cooperation. In this phase, the team has limited competencies, and it may not be able to solve the problem for which it was created.</p>	<p>Autocrat style, because the manager has to set goals, directions of action and help the members understand their role to play in the life of the team</p>
Dissatisfaction	<p>This is the stage in which the members of a group ask themselves questions such as: Why am I a member of this group? What is the purpose and the goals of this team? Am I able to do what other people expect from me?</p> <p>Although the group is starting to perform, the moral status of the members may fluctuate from doubt to confidence and productivity is rather low.</p>	<p>Advisory style, since the manager needs to help members to completely understand their role within the team; the manager must be careful to create conditions so that the team members will have the opportunity to meet their social recognition needs within the group structure</p>
Determination	<p>This is the phase in which the team develops and increases its productivity, the satisfaction of group members increases, due to the higher level of productivity. They have learned how to work together and they have accepted the group's rules. The group's dynamics has increased the commitment of the team members to the team's norms and objectives.</p>	<p>Participatory style, since the manager needs to intervene to resolve any conflicts among members, to keep focus and to increase group cohesion</p>

Productive	This is the phase characterized by high commitment and high competence. The group has a solid structure and performs to the fullest.	Laissez faire, since the manager must let them perform and get involved only when there is a conflict.
Termination	This is the phase in which if the group performed, the members feel sad and if not, they feel relieved.	Participative style, because members need to learn from their teamwork experience and the leader has to give feedback, make a summary of the activity and draw the necessary conclusions.

BUSINESS GROWTH

“Many businesses fail because the owner wasn’t willing to invest and wasn’t educated on the difference between spending money frivolously and investing money into the business for growth, and the risks and rewards of that cash infusion”. Carol Roth

“People with a growth mindset believe that they can improve with effort. They outperform those with a fixed mindset because they embrace challenges, treating them as opportunities to learn something new.” Travis Bradberry

Aspects related to business grow

Growth concerns not only human nature but also business. When a business grows, it means that its value is increasing (in terms of revenue, capitalisation and profitability). For the companies, growth has some advantages, such as:

- *economies of scale*, optimizing operating costs, meaning the fixed cost per unit is decreasing when sales are increasing)
- *a greater opportunity to influence the good way of business*, due to the fact that more resources are available for the entrepreneur
- *greater attractiveness* for suppliers, since they prefer to work with big customers than with smaller ones
- greater *credibility* for the stakeholders; usually employees are proud and they prefer to work for big companies; also, clients and financial institutions give more confidence to big companies)

In order to resist in a globalized market, changing continuously, managers of SMEs have to think to **durable growth**. This means that enterprises are prepared to face future risks, by anticipating changes and adapting in a timely and flexible manner (increasing innovation capacity).

This also supposes that the entire personnel is dedicated to the continuous development of competencies and knowledge and employees suggestions are taken into consideration in decision-making process related to operational activities.

Intensive growth refers to the increase of the efficiency of a company's activity, respectively obtaining the most results with the least amount of effort and risk, maximizing the ratio between effects and efforts: $\max. (\text{effect}/ \text{effort})$

One of the key factors for improving business competitiveness is productivity, which means increasing value added, by using effectively the available resources. Increasing productivity is feasible by investing in technology and developing the skills and the competences of staff, using smarter working methods.

How can the company grow? Strategies for business growth

Every small business intends to grow into a big one. In order to expand their operations, small businesses have several options in order to choose the suitable growth strategy:

MARKET PENETRATION that could be done by:

- increasing the market share through: increasing promotions for products/ services in order to improve their pull strategies, reducing the selling prices, expanding or improving distribution channels etc.
- increasing the consumption of a product or the ways to use it, by developing a positive association between user and utilization situation or stimulation through price policy
- increasing the frequency of use, through product repositioning campaigns, and after – sale services
- identification of new uses of existing products

PRODUCT DEVELOPMENT that could be done by:

- adding new characteristics, and/or improving existing features
- expanding product line (on width or depth)
- developing new versions of the product
- introducing new products into the market, suitable with current customers

VERTICAL INTEGRATION that could be done by:

- upstream integration (ex. when producers start to produce the main raw material used for final product)
- downstream integration (ex. when producers are open stores for their products)

The advantages of vertical integration include: gaining operational savings, direct access to offer/ request, greater control of offer/ request, stimulating technological innovation.

On the other hand, the disadvantages of vertical integration should also be considered: risks associated to new business administration, reduced flexibility, additional operating costs, mole cost.

DIVERSIFICATION – entering into different markets. There are 2 types of diversification:

- related diversification (concentric diversification) – entering on markets with common items with company core business, like: distribution channels, research and development, promotion, utilities, administrative staff. One of the advantages is that it allows the transfer of know – how or the capacity to develop a new process or product.
- non-related diversification (conglomerate diversification) – expanding from existing markets into new ones, non-related to its core business, by adding new products/ unrelated product lines using the existing basic competences of the company

LEVERAGING PARTNERSHIP - possible strategic alliances with suppliers, partners or collaborators in the following ways: joint distribution, technology transfer, cross – manufacturing etc.

Among the benefits of the partnership the following can be included: more resources, a variety of skills and expertise available to partners, risk sharing, greater flexibility of operations, improved management that leads to increased efficiency, retaining the full ownership of the company.

Additional resources and links:

Curtis E.Tate, Jr., Leon C. Meggison, Charles R.Scott, Jr., Lyle R.Trueblood, “*Successful Small Business Management*”, Fourth Edition, BUSINESS PUBLICATIONS, INC.

<http://st.meriq.eu/index.php?id=29>

<https://www.cleverism.com/7-business-growth-strategies-for-small-businesses/>

⑥ SWOT Analysis

As an entrepreneur or manager, you can use different tools for analyzing the situation of the company/ department in order to take a decision. One of the tools is the SWOT Analysis, a graphic tool that allows you to see and analyse in a synthetically way, on the same sheet, the current situation of the company (internal environment) and economic (external) environment.

Description

SWOT Analysis (analysis of the company's **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats) is used to identify the *strengths and weaknesses* of the company, which are related to internal factors. Additionally, it is used in order to identify the *opportunities and the threats* of the company, which are related to external factors.

Also, the SWOT Analysis can be used to expand the company, or to develop and create new businesses, based on the existing one.

The main phases of the SWOT analysis include:

- identification of main strengths and weaknesses of the company, compared to competitors
- identification of current and future opportunities and threats/ risks of the company
- defining critical aspects: do strengths helps to capitalise the opportunities and to eliminate the threats? do weaknesses eliminate the capitalization of opportunities?
- Identifying success factors that represent key aspects of the company's strategy related to the development of the company
- The results of the SWOT analysis allow the identification of opportunities and critical points of the company. The company should develop based on capitalization of strengths and opportunities, try to eliminate/attenuate weaknesses and secure against threats.

Supporting evidence and practices

For a better understanding, you can find below an example of factors included in the SWOT analysis for a tourism company:

<p><u>STRENGTHS (+)</u></p> <p>Responsible management and open to the development of the company</p> <p>Qualified and experienced personnel</p> <p>Motivated personnel</p> <p>Good infrastructure quality</p> <p>Interesting surroundings</p> <p>Very good image of the company/ brand</p> <p>Loyal customers</p> <p>Good learning practices</p>	<p><u>WEAKNESSES (-)</u></p> <p>Small management team</p> <p>Not enough qualified personnel</p> <p>High level of fluctuation of personnel</p> <p>Shortage of financial resources for investments</p> <p>Not enough rooms to satisfy the demand</p> <p>Lack of specific services</p>
<p><u>OPPORTUNITIES (+)</u></p> <p>Increasing of importance of the region in tourism sector</p> <p>Increasing demand for incoming</p> <p>Increasing number of foreign customers</p> <p>Rapid evolution of technology and increasing information</p> <p>Availability of qualified workforce due to European projects for human resources</p> <p>Availability of European funds (or National funds) for investments</p> <p>New trends in tourism services</p>	<p><u>THREATS (-)</u></p> <p>Low interest from young graduates</p> <p>Economic crisis</p> <p>Lack of qualified workforce</p> <p>Climate changes</p> <p>High competition from big hotel chains</p>

In order to identify a better strategy for your company, it is useful to elaborate a *SWOT matrix*:

		OPPORTUNITIES			THREATS		
		1 ...	2 ...	3 ...	1 ...	2 ...	3 ...
STRENGTHS	1. ...		X				
	2. ...						
	3. ...			X			
WEAKNESSES	1. ...					X	
	2. ...						
	3. ...						

By comparing the strengths with opportunities and threats, the weaknesses with opportunities and threats, the best *strategy for the development of the company can be chosen*, among the following types of strategies:

Strategy S-O has in view to capitalize the opportunities that are related to the strengths of the company

Strategy W-O has in view to surmount weaknesses in order to capitalize the opportunities

Strategy S-T has in view to identify the modalities in which the company can use its strengths in order to reduce the vulnerability to risk factors

Strategy W-T has in view to establish defensive methods in order to decrease the impact of weaknesses to threats.

Books

Dumitru Porojan, Cristian Bisa “Business Plan”, Editura IRECSON 2002

Training Manual for the providers of consultancy services, elaborated in the project ROCA – Network of the Organisations offering Business Consultancy, financed through Phare Programme

Additional resources and links

<http://entreprenoria.com/category/growing-a-business/business-strategy/>

www.entrepreneur.com

7 Business model canvas and lean start-up methodology

Two main paradigms are used in developing businesses in recent years: ideas that any every actual or would be an entrepreneur should know!

One is the “Lean Start-Up” methodology by Eric Ries, the other the Business Model Canvas, developed by Alexander Osterwalder and Yves Pigneur, presented in the book “Business Model Generation.”

Although not every founder, solo entrepreneur or freelancer strives to be the next Apple or Google or TESLA, everyone can learn from some of the principles developed by these authors.

Mainly putting the customer and his/her needs (value proposition) in focus, not the technology, learning fast and learning from customer feedback, are quite a contrast to old school business creation. Their founders were focused on how they acquired their trade and what they thought would be the right way to do it and planning was considered to be more important than quick learning.

The lean start-up is a methodology for developing businesses and products, aims to shorten product development cycles. Business creators are encouraged to hypothesise, prototype, get feedback and adapt their product and service as fast as possible. The main idea is to fail as long as it is cheap to fail and then do better.

The main principles are laid out in the book “The Lean Start-Up“ (<http://theleanstartup.com/book>). A lot of useful resources can be accessed at the website and entering the search words “lean startup” to YouTube yields an abundance of useful presentations. Therefore a few sentences as a teaser to study these broader presentations suffice at this point.

The significant risk for new businesses is that they invest a lot of resources into untested business models (production facilities, human resources, advertisements, etc.) so that they run out of money if the assumptions on which the model is based turn out to be wrong.

Therefore a small scale approach should be used to test if the business model is valid and has traction with the customers. Only when the model is validated the business invests in the expansion.

Inspired by ideas from lean production the method seeks to eliminate everything that is not necessary for producing the core value and/or for testing the traction of the early business model.

Customer feedback should be collected early on so that the company makes sure that it does not invest in features that in fact, nobody wants (except the inventors). Saving such costs can also reduce the dependency on external investors and therefore maintain the freedom of the founders and the flexibility to adapt, but also to limit the individual risk.

One key concept in this concept is the “minimum viable product” (MVP), which is a prototype that is developed just to the degree that meaningful customer feedback can be collected. This feedback can include desirable or core features, design, uses and price point (what does the customer think he/she would pay for such a product/service?)

A related concept of the lean start-up methodology is “split testing,” the idea being that potential customers are confronted with various versions of the possible product to observe which one they prefer. Such testing can be done with varying scientific rigour, depending on budget and ambition. Also here the most commercial design which produces the required information is the best.

How does the business find out if it is on the right track? The concept of “Actionable metrics” is about which indicators show real and relevant progress, vs mere “vanity metrics” which look good, but may not have a significant impact on the results. For example, a number of views of a website may be a good prerequisite, but opinions by the core target group and development of the number of advertisers are more important measurements.

Overall the methodology can be summarised as a “Build-Measure-Learn” process, particularly as a process where this is done at high speed. Effectiveness and therefore chances of business success are measured by the mastery of this cycle.

The second main methodological innovation in recent years and one which is closely related to the lean Start-Up methodology and supportive of its implementation is the Business Model Canvas.

Its core is a strategic management template invented by Alexander Osterwalder around 2008.

It can be used to develop new business models as well as for documenting existing ones.

The “canvas,” a poster-like presentation, consists of nine blocks: activities, partners, resources, value proposition, customers, customer channels, customer relationships, costs and revenue.

Osterwalder and colleagues believe in the sharing of concepts and therefore provide many of their material and concepts under a creative commons license on their website

<https://strategyzer.com/>

A quick search on YouTube also produces an abundance of presentations; therefore also here a short discussion of the main elements of the concept suffices.

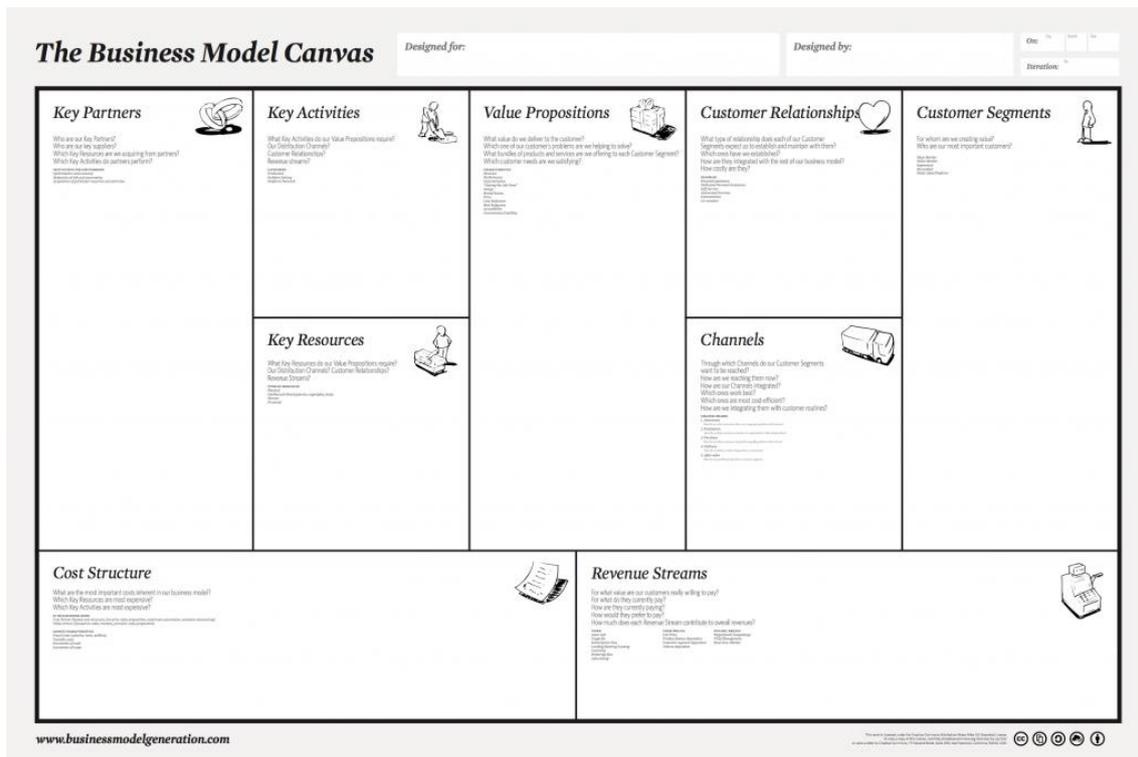


Figure 8: Table Business Model Canvas

By using the BSC (Business Model Canvas), you as a founder will be able to think about the elements of your business model in a more systematic, yet playful way. Working with the BMC will allow you to “experiment in mind,” to discuss with partners and colleagues and to develop multiple alternatives before you invest heavily in one idea, or even only in developing a whole elaborate business plan, as is required in many countries.

Accordingly, the inventors of the model claim that they have already reached out to more than 5 Million users of the BMC.

The BMC concept has become an essential element in the implementation of the Lean Start-Up concept, as Alexander Osterwalder shows in this presentation:

<https://www.slideshare.net/Alex.Osterwalder/creativity-world-forum-belgium?ref=https://www.startplatz.de/startup-wiki/business-model-canvas/>

The questions „How can we deliver value to customers?“ has been discussed in Chapter 5. In order to deliver the value at an appropriate the main components needed to deliver the value to customers a number of factors have to be considered. The BMC is the currently leading methodology to reflect on these components and to think about them in an easy, yet inspiring format, in fact a one page poster.

The components of the canvas are:

- Customer Segments (analysis of the different kinds of customers and classification of them according to their different needs and characteristics)
- Channels (establishment of the best way to deliver the value proposition, in terms of speed, efficiency and cost effectiveness)
- Customer Relationships (identification of the kind of relationship which is best to establish with the different customers' segments)
- Revenue Streams (design of the way to make income from each customer segment)
- Key Activities (concise description of what executes the Value Proposition)
- Key Resources (determination of what everything needed to create the described value for the customers)
- Partners (establishment of the needed partners to develop the non-key activities)
- Cost Structure (description of the monetary consequences of the whole business model)

Below, each of these components are briefly explained:

A wealth of information on the methodology, templates (incl. a creative commons licence high resolution canvas and links to numerous presentations can be found at the website of the founders of the methodology:

<https://strategyzer.com/>

Customer Segments

Each business targets a specific group of potential customers. It looks for people who might actually need their product, for which the product has high value, so they are willing to pay for it. This can be a small group of people (a niche), or it can be almost everyone (a mass market). Thinking hard about the potential customers can help the founder to tailor the product and to communicate to the right people. Thinking hard also helps to distinguish the end users from the customers. For example, almost everyone uses Google, while the actual customers are only the advertisers, as only these pay Google. So each entrepreneur has to ask himself: who are my potential customers?

Value Propositions

We talked about this in Ch. 5. Businesses are there to solve a real problem of real people or at least help to fulfil a desire that real people have. A proposition can be brand new, or it just can be better, fancier, cheaper or more effective than an existing solution. Therefore think about: What benefit do my customers have from working with me or from buying my product. You should be able to state this very clear and brief.

Channels

How will you interact with your customers? How will you get their attention? How will you distribute your product? How will you provide after sales services? These factors are called channels. The effectiveness and efficiency of these channels can be very important for your profitability.

Customer Relationships

How will the relationships with your customers be? Will they be face to face? Will it be automated? Will your products be customizable, so you have to interact with the customers a lot? How will you retain your customers? How will you encourage them to buy more from you? All this needs to be planned, revised and thought about regularly.

Revenue Streams

How will you make sure that the money gets into your pocket in time, so that you can meet your obligations? There are different models, from one time payment to monthly small payments and renting the product. All have their advantages and disadvantages that need to be considered. One main consideration is the pricing itself: does the price target and the mode of payment fit my customer target group?

Key Resources

Obviously making things or providing services and delivering them to the customer requires the means. Key resources are those which are indispensable for getting started. Which physical, human and financial resources do you need?

Key Activities

The same as for resources is true for activities. This box encourages you to clearly state: which activities are core for delivering the customer value? Depending on the core of the business this can be the production of a certain product or the ability to solve a customer's problem, which requires knowledge, good communication and other consultancy competences.

Key Partnerships

Often it is more effective not to do everything on your own. You will want to enter into relationships with people or organisations who can contribute to producing your product at a lower cost than you can do it on your own. Therefore it makes sense to enter into strategic partnerships with non-competing businesses or service providers. Think about who would help you to produce your product most effectively and most efficiently!

Cost Structure

Key Activities, partnerships and resources all translate to costs. Any business has to keep track of its costs and monitor them. What cost you cannot avoid? Which can be decreased? Where would it be unwise to be stingy? The business models can be differentiated also by cost structure. Do they aim at the lowest possible cost or do they aim to provide a world class or even unique value, no matter what the cost? Is cost fixed or scaled along the mass of production. Ideally, can you sell more without proportionally increasing the cost? Considering the cost structure is a key point in every business model.

Literature:

Eric Ries: The Lean Start-Up – The Book

Alexander Osterwalder & Steves Pigneur: Business Model Generation

Translations of these books are available in all relevant languages.

Derivatives of the concepts are developed in additional books.

Both authors maintain websites which are rich in resources and which both include a blog which references to the latest developments and use cases.

Lean Start Up: <http://theleanstartup.com/>

BMC: <https://strategyzer.com/>

⑧ Marketing and commercialisation plan

The marketing plan should provide a clear and concise description of the market potential of the proposed work and the planned path to commercialisation.

It outlines the strategy that the organisation will use to generate revenue, business opportunities, map a forward strategy, and describe the current and anticipated scenario and resources needed to address the opportunity afforded by its innovation.

A good starting point for writing a marketing plan is a clearly written statement that identifies the overall business purpose of the project. This will be the vision of what the product will do to meet a need and to whom the project will affect.

It defines the specific problem, or the opportunity addressed and its importance.

The project and the critical technological objective(s) should describe enough of the technical aspects of the project so that the experts appreciate the technical merit without going into details.

Be sure to highlight the non-commercial impacts on the overall meaning of your project (specify the possible social, educational, and scientific benefits of this work).

Then finally touch on how the design of the marketing and commercialisation plan integrates with the company's overall business plan.

The central goal is for the company to create value for its chosen customers. Value is created by meeting customer needs. A company needs to define itself not by the product it sells, but by the customer benefit provided.

Table: The 5Cs

5 C's	Questions to be asked
1) Customer Needs	What needs do we seek to satisfy?
2) Company Skills	What special competence do we possess to meet those needs?
3) Competition	Who competes with us in meeting those needs?
4) Collaborators	Who should we enlist to help us and how do we motivate them?
5) Context	What cultural, tech and legal factors limit what is possible?

In a “Commercialisation Plan” we have to follow 12 steps:

1 Product Description and Indications for Use

2 Marketing Plan

Describe how the production of your product/process/service will occur. Describe each step involved with taking your product to the market to sell which may include plans for licensing or internet sales.

4P's

1. Product
2. Place (Channels of Distribution)
3. Promotion (Communications Strategy)
4. Pricing

Product: Should not be the thing itself but rather the total package of benefits obtained by the customer. After introducing a new product to the market there should be a process of Product Life Cycle Management where the company continually tries to learn more about consumers from their reactions to the introduced product.

Place: The place is where do buyers look for the product or service.

Promotion: Determining the appropriate ways to communicate with customers to foster awareness, knowledge about its features, interest in purchasing, likelihood of trying the product and or repeat purchasing.

Pricing: The value of the product can come from the customers' perception or the actual product.

3 Value Proposition

4 Positioning and Targeting

5 Branding

- a. Branding Strategy, Name
- b. Instructions for Use, Labeling, Packaging

6 Pricing, Reimbursement

- a. Pricing Strategy
- b. Reimbursement

7 Sales Tools and Promotional Materials

- a. Brochure, Sales Sheets
- b. Catalog, Competitive Cross-reference
- c. Demonstration Tools, In-service Guide
- d. Advertisements, e-blasts
- e. Website
- f. Product Presentations
- g. Press Release, Product Summary
- h. Case Studies
- i. Other Promotional Materials
- j. Planned post-launch materials

8 Advertising and Communication

- a. Advertising Plan
- b. Convention Strategy
- c. Publication Strategy
- d. Physician presentations (podium, dinner meetings)
- e. Satellite Symposia
- f. Live Cases

9 Training

- a. Customer Training Plan
- b. Internal training plan
 - i. Customer Service, Contracts, Marketing Communications, Sales Training, Sales
- c. Training Materials
 - i. Manual, Presentations, On-line, Modules, Charts, Guides

10 Launch Event Timing and Venue

11 Inventory Plan

- a. Launch Inventory
- b. Legacy Product Phase-out Plan
- c. Trunk Stock, Sales Demo Plan
- d. Consignment Plan
- e. Shelf Life

12 Post-launch Activities

- a. Sales Contest, Internal Promotion
- b. Customer Visits
- c. Complaint/Sample Review
- d. Clinical Trial Data Review
- e. Post-market Research



Figure 9: Marketing Plan

Resources, links and books

- Dolan, Robert. Note on Marketing Strategy. MS thesis. Harvard Business School, 1997. Boston, MA: privately published, 1997. Print.
- Kolchinsky, Peter. "The Entrepreneur's Guide to a Biotech Startup." 4th edition. (2004): 1-96. Print. <http://www.evelexa.com>
- www.dardenlantz.com
- http://www.marketingplansbook.com/ex/c02_EX.pdf

⑨ Support structures for new businesses



Figure 10: Structures

The role of support structures is to **sustain the development** of the companies through packages of different **services**, such as:

- Spaces for business offices, equipped with furniture and IT equipment
- Access to training / conferences spaces
- Access to utilities and communication services
- Specific (management) consultancy / mentoring / coaching
- Access to business networks and investors
- Support for participating in business fairs, exhibitions or other promotion activities
- Facilitating network activities, know-how transfer and business partnerships
- Grants (non-reimbursable funds) for developing a new activity/new products/service
- Expert advice through on-line business consulting platforms

The purpose is to sustain the activity of the companies in order to **become more competitive** on the market, to face the competition and to develop durable activities.

Some types of support structures for business development are:

- business consultancy centers; networks of Chambers of Commerce and Industry
- business associations
- business accelerators
- business hubs
- clusters
- venture capital
- banking institutions
- technical assistance from non-reimbursable European programmes

BUSINESS CONSULTANCY CENTRES offer specialised consultancy in order to find solutions for different aspects related to business development, such as: strategic development, innovation, investment, financing sources, marketing, legal matters, human resources management, quality management, risk assessment and evaluation etc.

Business consultants support companies in a lot of ways, such as:

- providing specialised business information in the fields mentioned above;
- giving guidance and advice to help the client overcome his/her business problems
- making business diagnosis and analysis and recommendations based on it;
- assisting on implementation of recommended solutions;
- facilitating client learning, that means teaching the client how to solve similar problems in the future;
- advice on improving organizational effectiveness.

Some of the benefits for the companies that are working with business consultants include:

- possibility to develop company in an efficient way, saving time and avoiding potential losses due to lack of business experience or specialized skills
- gain access to a specialised skill set that does not exist in small companies and could help to solve business problems. Sometimes, problems that need to be solved are really important, but companies do not have the specialised manpower to focus on them and hiring new employees to fill this gap does not make sense, so in this case consultants serve as temporary, external highly skilled employees that bring expertise at the right time.
- providing an opinion from outside eye/third-party's perspective in case of making tough decisions. Based on their experience gained by working with different companies with similar problems, consultants can bring innovative ideas or possible challenges to the table that clients would not have been able to identify on their own.

For example, if the company is on the fast track for growth, a skilled consultant can provide insight that can enable the owner to seize new opportunities and to avoid common pitfalls that could affect success.

The role of Chambers of Commerce and Industry is to represent and support the interests of its members and the business community in relation with public authorities and other organisations. Services offered by Chambers of Commerce and Industry could include:

- access to business information related to business opportunities, economical missions organized abroad, fairs and exhibitions, auctions;
- specialised consultancy for setting up business or for commercial disputes
- business promotion through its members and networks
- organising business meetings
- organising business presentation / product launch
- organising specific trainings etc.

In **Cyprus** there is the Cyprus Chamber of Commerce and Industry (CCCI) along with local Chambers in each city (Nicosia, Larnaca, Limassol, Pafos) and there is also the Employers and Industrialists' Federation (OEB). These two organisations usually work hand-in-hand to represent the interests of SMEs from Cyprus.

In **Slovenia**, the best start for business consultancy is:

- Podjetniški portal: Governmental Agency for the Promotion of Entrepreneurship, Internationalization, Foreign Investment and Technology (<https://www.podjetniski-portal.si/>)
- Slovenian eVem portal - One stop shop where you can get basic business advice, do the registration and all other legal processes for your company (<http://evem.gov.si/evem/drzavljani/zacetna.evem>)
- Podjetniški sklad - Governmental support structure, where you can get all different types of capital for your company growth, from Start-up incentives, Seed capital, Venture capital, Microcredits, Guarantees and Special incentives (<https://podjetniskisklad.si/en>)

In **Portugal**, there are some some business centres consultancy and support:

- IAPMEI: the area of Entrepreneurship and Innovation is one of the core areas of IAPMEI's intervention aimed at:
 - Supporting innovative entrepreneurial entrepreneurship, oriented to entrepreneurs and agents of the surrounding, through specific programs, services and tools;
 - Dynamize business innovation and innovation management through specific programs, incentives and services and training tools;
 - Promote, manage and monitor the dynamics of collective efficiency, namely clusters, collaborative networks and technology transfer.

<https://www.iapmei.pt/PRODUTOS-E-SERVICOS/Empreendedorismo-Inovacao.aspx>

- Portugal Ventures: Portugal Ventures is a venture capital firm that invests in seed rounds of portuguese startups in tech, life sciences and tourism.

<http://www.aeportugal.pt/>

In **Romania** the assistance provided by consultancy centres include: consultancy and assistance on different business management issues, information regarding funding opportunities for business development, entrepreneurial training, other relevant information regarding business management (<https://www.fonduri-structurale.ro/> , <http://www.finantare.ro/>)

BUSINESS ASSOCIATIONS' role is to support its members through different actions and projects that could include: lobby and advocacy, providing assistance in relation with state institutions, editing business publications, organizing round tables, seminars and training on different specific business aspects, organizing business fairs, exhibitions and other events in order to promote members businesses etc.

In **Cyprus** there are two active business associations for the support of young entrepreneurs: the Young Business and Professional Women (Young BPW) Association and the Cyprus Enterprise Link.

In **Slovenia**, the most important business association is Slovenian Business Club. The mission of the SBC Club of Slovenian Entrepreneurs is to combine the successful owners of Slovenian companies who have come to business results in a fair manner with their own idea or as successors of family businesses and with their own efforts. The members of the association are politically independent, not convicted by a final judgment, and have all obligations to the state settled.

In **Portugal**, the main 2 associations. AEP is an association that develops a set of actions to support entrepreneurs and companies in the areas of consultancy and professional training, business missions, business promotion and investments, among others, both nationally and internationally. ANJE – Associação Nacional de Jovens Empresários, a public interest association under private law and, since 1986, it has been institutionally representing young Portuguese entrepreneurs. Its aim is to satisfy common interests and to make its companies more dynamic. To this end, its main areas of activity are training, entrepreneurship support, business incubation/acceleration and the creation of business associations.

In **Germany**, there are business associations on both the national and state level. On the national level, there is the Business Start-Up Portal (<https://www.existenzgruender.de/EN/Home/inhalt.html>) and there are support programs of the Federal Ministry of Economic affairs, which provide consultancy, financial aid, brochures, etc. (<https://www.bmwi.de/Redaktion/EN/Dossier/start-ups.html>). One example of a program is EXIST, which seeks to improve the start-up environment at higher education institutions and research establishments by giving an overview of funding possibilities. (<https://www.bmwi.de/Redaktion/DE/Artikel/Mittelstand/gruendungsfinanzierung-exist.html>).

Each region or state has its own business associations. One example in the state of Bavaria is “Gründerland Bayern” from the Bavarian Ministry of Economic Affairs, Regional Development and Energy, which offers consultancy and coaching, financial support for founders and inexpensive credit, networking, etc. (<https://www.gruenderland.bayern/en/>).

Finally, there are also several private associations and independent consultants supporting founders, for example “Deutschlands Gründer,” which has a well-maintained website full of information for entrepreneurs. (<https://deutschlands-gruender.de/>)

In **Romania** the most active business associations at national level are AOAR - Romanian Businessmen Association (<https://www.aoar.ro/>) and CNIPMMR - National Council of Private SMEs (<http://cniipmmr.ro/>), aiming to represent business environment interests in relation with public institutions and supporting businesses development by organising events (including conferences, business fairs, trainings etc.) concerning different business aspects, editing business publications etc.

BUSINESS ACCELERATORS refer to an intensive business programme, including mentorship, trainings, networking activities, free online streaming webinars featuring entrepreneurs, meetings with business angels, expert advice, trend updates, industry insights, in order to stimulate the fast growth of the company.

Entrepreneurs that intend to be included in a business accelerator have 2 options:

1. to apply on the website of European accelerators or
2. to participate in different events organized by business accelerators.

Most of the well-known European accelerators addressed to technology companies are: **SeedCamp** (<http://seedcamp.com/>) and **TechStars** (<https://www.techstars.com/programs/london-program/>), **Oxygen** (<http://www.oxygenaccelerator.com/>) and **Founders Institute** (<https://fi.co/>) in Great Britain, **Rockstart** (<https://www.rockstart.com/accelerator/>) in Holland, **TechPeaks** (<http://www.techpeaks.eu/>) in Italy, **Eleven** (<https://www.11.me/>) and **LaunchHUB** (<http://launchhub.com/>) in Bulgaria.

The entrepreneur should yield 5% to 9% of the business in order to cover the expenses during the business programme (usually 3 months).

The main advantage of business accelerator is the access to business networks and investors.

In **Cyprus** there are three acceleration programmes that are popular among startup founders:

- IdeaCy, developed by Bank of Cyprus and CIIM
- A.R.I.S, developed by Deloitte and Bank of Cyprus
- Chrysalis Leap, focused only on clean-tech ideas.

In **Slovenia** you can find plenty of business accelerators, almost in every city, since they are supported by the local government. Along with that, you can find some of the private business accelerators which also offers some incentives. Most important public accelerator environment is Start:Up Slovenia which also have links to all important accelerators in Slovenia on this page: <https://www.startup.si/en-us/accelerators>

BUSINESS HUBS are integrated solutions for entrepreneurs, including access to opportunities for vertical and horizontal growth of the company.

Specifically, the business hubs offer packages with integrated services, including:

- co-working space for business offices with a low renting cost (between 35 and 250 EUR/month, depending on the rented area), with wi-fi, parking space/ bike sharing;
- consultancy from specialists in different fields, such as marketing, branding, juridical, accounting, financing resources etc.;
- mentoring, coaching;
- participation in different business events (ex. pitching).

The benefits for the members of a business hub that are participating to those events are related to the exchange of ideas regarding business projects; the feedback of other participants could be very useful for the development of project idea, especially if they are successful businessmen. Also, some of the members of the hub could choose to work together for joint projects (ex.IT)

In **Slovenia** you can find Hubs usually in the business accelerators. There are some private or publicly running hubs and coworker places in the biggest Slovenian cities as ABC Hub - Coworking Ljubljana.

The most well-known business hubs in **Romania** are: *Ingenius Hub* (<https://ingenius-hub.eu/>), *Impact Hub* (<https://www.impacthub.ro/>) *Tech Hub Bucharest* (<https://bucharest.techhub.com/>), *Connect Hub* (<https://www.facebook.com/pages/ConnectHub/>), *Youth Hub* (<https://www.facebook.com/YouthHUB.ro>).

CLUSTERS are geographical concentrated that bring together interconnected companies and institutions from a specific field. Clusters could include an integrated chain of companies and institutions, starting from the suppliers of raw materials or components, research entities, universities, public authorities, consultants, producers and distribution companies from a specific field.

The package of services offered to cluster members could include:

- identification of business partners (suppliers, clients, collaborators etc.),
- identification of consultants and other experts in the field
- concluding long term partnerships
- access to qualified workforce in the field
- networking and cooperation with similar structures from other EU countries etc.

In **Cyprus** we still do not have active clusters. The Ministry of Commerce and Industry will announce within 2019 a relevant Call for Proposals, to encourage the development of such clusters at national level.

On the regional level in **Germany** are regional and branch specific cluster organizations to give support. The clusters provide a network, from which start-ups and entrepreneurs profit, for example from the “Digital Hub Initiative” from the Federal Ministry for Economic Affairs and the Federal Ministry for Education and Research, which set up 12 hubs (<https://www.clusterplattform.de/CLUSTER/Navigation/EN/Home/home.html>). One specific example of an entrepreneurship cluster is from “Entrepreneurship Cluster Mittelhessen” from the Justus-Liebig-University in Gießen (http://www.uni-giessen.de/fbz/fb02/fb/ueberuns/einrichtungen-fb02/ecm?set_language=en).

In **Romania**, clusters from different branches aim to support companies member development through different actions, such as: encouraging partnerships between members, accessing non-reimbursable financing programmes, implementing research, development and innovation projects, lobby for promotion of common actions of companies member, vocational training, representing and promoting members outside the country (<http://clustero.eu/>, <https://itech.aries-transilvania.ro/>, <http://www.etrec.ro/> , <http://tourism-cluster-romania.com/> , <http://www.greencluster.ro/>)

VENTURE CAPITAL refers to a form of financing provided through funds invested as private equity in small, emerging companies that have high growth potential, usually based on an innovative technology or business model, from high technology industries.

Venture capital is attractive for companies with limited operating history, that have not reach the point where they are able to secure a loan, but in exchange of the risk assumed by the capital invested, venture capitalists have significant control over company decisions; also, they could provide strategic advice to the managers related to business model or marketing strategies.

BUSINESS ANGELS are usually independent wealthy individuals, who are willing to provide capital and initial investment for the development of an innovative company. The influx of capital can help an idea develop into a viable company and provide the base to begin producing the product or service proposed.

In **Cyprus** we have the Cyprus Business Angels Network (CYBAN), who are very active and supportive of the entrepreneurial and innovation ecosystem of the island.

In **Slovenia**, “Invest Slovenia” is governmentally supported organisation (<https://www.investslovenia.org>), which encourage investments into Slovenia businesses.

In **Romania**, Business Angels Romania (<http://businessangelsromania.ro/>) promote Romanian business angels, offers information and expertise for investors regarding market trends.

BANKING INSTITUTIONS offer loans in order to finance the investment costs necessary for business development or for working capital. Banks approve loans after analyzing the feasibility of the investment plan and the financial background of the company.

When applying for a loan the company has to consider the conditions related to the level of interest rate, other commissions, types of warranties requested.

TECHNICAL ASSISTANCE from European non-reimbursable programmes, ensured in Romania by Management Authorities (AM) for different Operational Programmes, offer necessary information (applicant's guides with annexes, contracting and implementation documentation) in order to apply and implement different projects that could be financed through those programmes.

Portugal have some national and local initiatives, mainly supported by government and EU funds to promote entrepreneurs and entrepreneurship:

ANJE is a public interest association under private law and represent institutionally young Portuguese entrepreneurs. Its aim is to satisfy common interests and to make its companies more dynamic. To this end, its main areas of activity are training, entrepreneurship support, business incubation/acceleration and the creation of business associations.

<http://www.anje.pt/>

Portugal2020

<https://dp.tecnico.ulisboa.pt/en/programas-financiamento/nacionais/portugal2020/>

Portugal2020 is the partnership agreement between Portugal and the European Commission, which brings together the five European Structural and Investment Funds (ESIF): European Regional Development Fund (ERDF), Cohesion Fund (CF), European Social Fund (ESF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF) – that defines the programming principles that enshrine the policy of economic, social and territorial development to be promoted, in Portugal, between 2014 and 2020.

In Portugal2020 program there are four thematic Operational Programs (OPs) to help companies:

Competitiveness and Internationalization

<http://www.poci-competite2020.pt/>

Its objective is to contribute to the creation of a more competitive economy, based on knowledge-intensive activities, betting on tradable and internationalized goods and services, and strengthening the qualification and export orientation of Portuguese companies, especially SMEs.

Human capital

<https://www.poch.portugal2020.pt/pt-pt/Paginas/default.aspx>

Aims to promote the increase in qualification of the population adjusted to the needs of the labor market and in convergence with European standards, guaranteeing the improvement of the quality level in the acquired qualifications, improving school success, reducing abandonment, promoting equality, social cohesion and personal development and citizenship, together with the strengthening of the country's economic competitiveness.

Social Inclusion and Employment

<http://poise.portugal2020.pt/inicio>

Aims at strengthening the integration of people at risk of poverty and combating social exclusion by ensuring that innovative measures of social intervention are promoted and direct support is provided to the most disadvantaged groups, active employment policies and other instruments to safeguard social cohesion.

Sustentabilidade e eficiência no uso dos recursos

<https://poseur.portugal2020.pt/>

It aims to contribute to the affirmation of the Europe 2020 strategy, especially in the priority of sustainable growth, responding to the challenges of transition to a low carbon economy based on a more efficient use of resources and the promotion of greater resistance to climate risks and disasters.

There are also local and Regional Operational Programs (OP):

- five on the continent (North, Center, Lisbon, Alentejo and Algarve)
- two for the Autonomous Regions (Madeira and the Azores)
- one Technical Assistance OP
- three Development OPs (Mainland, Azores and Madeira)
- one OP for the Maritime Affairs

NORTE 2020 – North Regional Operational Program

<http://www.norte2020.pt/>

CENTRO 2020 – Regional Operational Program of the Center

<http://www.centro.portugal2020.pt/>

LISBOA 2020 – Regional Operational Program for Lisbon and Vale do Tejo

<http://lisboa.portugal2020.pt/>

ALENTEJO 2020 – Regional Operational Program of Alentejo

<http://www.alentejo.portugal2020.pt/>

CRESC Algarve 2020 – Regional Operational Program of the Algarve

<https://algarve2020.pt/info/>

Operational Program of the Autonomous Region of the Azores

<http://poacores2020.azores.gov.pt/>

Operational Program of the Autonomous Region of Madeira

<http://www.m1420.madeira.gov.pt/m1420/>

The table below presents several support structures and the relevant website links operating to each country:

Country	Support Structures	Link
Cyprus	Cyprus Chamber of Commerce and Industry (CCCI) along with local Chambers in each city (Nicosia, Larnaca, Limassol, Pafos)	http://www.ccci.org.cy/
	Employers and Industrialists' Federation (OEB), who usually work hand-in-hand to represent the interests of SMEs from Cyprus.	http://www.oeb.org.cy/
	Cyprus Enterprise Link	http://projectcel.com/
	Young Business and Professional Women (Young BPW) Association	http://youngbpw.org.cy/
	Cyprus Business Angels Network (CYBAN), who are very active and supportive of the entrepreneurial and innovation ecosystem of the island.	https://www.cyban.com.cy/en/home
	- IdeaCy, developed by Bank of Cyprus and CIIM - A.R.I.S, developed by Deloitte and Bank of Cyprus - Chrysalis Leap	https://ideacy.net/ http://www.ariscy.com/ http://chrysalisleap.com/
	Ministry of Commerce and Industry of Cyprus	http://www.mcit.gov.cy/mcit/mcit.nsf/contact_en/contact_en?OpenForm

Europe (European Union)	Europa - European Union -Funding	https://europa.eu/european-union/about-eu/funding-grants_en
Romania	<p>National Agency for Entrepreneurship and Programmes for SMEs</p> <p>-managing and monitoring non reimbursable financing programmes for SMEs addressed to start-ups, services and commerce, crafts, micro-industrialisation, business women, internationalisation activities etc.</p> <p>Regional Development Agencies, that are managing the non-reimbursable funds allocated for each region according to regional development strategy and monitoring the projects financed through those funds. Also, regional agencies provide technical assistance for the investors in disadvantaged regions</p>	http://www.aippimm.ro/categorie/programe/ http://www.mdrap.gov.ro/dezvoltare-regionala/adrese-utile http://www.adrcentru.ro/ http://www.adrbi.ro/ http://www.adrmuntenia.ro/ http://www.adroltenia.ro/ https://adrvest.ro/ http://www.adrse.ro/ http://adrnordest.ro/ http://www.nord-vest.ro/
	<p>Business consultancy centers providing:</p> <ul style="list-style-type: none"> -business consultancy and assistance -information regarding funding opportunities for business development -entrepreneurial training -other relevant information regarding business management 	https://www.fonduri-structurale.ro/ http://www.finantare.ro/
	<p>Businessmen's Associations</p> <ul style="list-style-type: none"> -organising business events (conferences, seminars, business brunches, etc.) -implementing business dedicated projects financed from non-reimbursable funds -business counselling 	https://www.aoar.ro/ http://cniipmmr.ro/ http://www.asociatiaproinvest.ro/ https://www.proafaceri.com/

	-vocational training	
	<p>Chamber of Commerce and Industry</p> <p>-international promotion</p> <p>-National System for Business Information, business studies and analysis, business publications</p> <p>-vocational training</p> <p>-risk partner certificate</p>	https://ccir.ro/
	<p>Clusters from different branches, aiming to support companies member development through:</p> <p>-encouraging partnerships between members</p> <p>-accessing non-reimbursable financing programmes</p> <p>-implementing research, development and innovation projects</p> <p>-lobby for promotion of common actions of companies member</p> <p>-vocational training</p> <p>-representing and promoting members outside the country</p>	<p>http://clustero.eu/</p> <p>https://itech.aries-transilvania.ro/</p> <p>http://www.etrec.ro/</p> <p>http://tourism-cluster-romania.com/</p> <p>http://www.greencluster.ro/</p>
Portugal	<p>AEP</p> <p>AEP is an association that develops a set of actions to support entrepreneurs and companies in the areas of consultancy and professional training, business missions, business promotion and investments, among others, both nationally and internationally.</p>	http://www.aeportugal.pt/
	<p>IAPMEI</p> <p>The area of Entrepreneurship and Innovation is one of the core areas of IAPMEI's intervention aimed at:</p> <p>- Supporting innovative entrepreneurial entrepreneurship, oriented to entrepreneurs and agents of the surrounding, through specific programs, services and tools;</p>	https://www.iapmei.pt/PRODUTO_S-E-SERVICOS/Empreendedorismo-Inovacao.aspx

	<ul style="list-style-type: none"> - Dynamize business innovation and innovation management through specific programs, incentives and services and training tools; - Promote, manage and monitor the dynamics of collective efficiency, namely clusters, collaborative networks and technology transfer. 	
	<p>Portugal Ventures´</p> <p>Portugal Ventures is a venture capital firm that invests in seed rounds of portuguese startups in tech, life sciences and tourism.</p>	<p>https://www.portugalventures.pt</p>
	<p>ANJE – Associação Nacional de Jovens Empresários</p> <p>ANJE is a public interest association under private law and, since 1986, it has been institutionally representing young Portuguese entrepreneurs. Its aim is to satisfy common interests and to make its companies more dynamic. To this end, its main areas of activity are training, entrepreneurship support, business incubation/acceleration and the creation of business associations.</p>	<p>http://www.anje.pt/</p>
Slovenia	<p>Governmental portal - registration and all other legal processes for your company</p>	<p>http://evem.gov.si/evem/drzavljanij/zacetna.evem</p>
	<p>Governmental support structure, where you can get all different types of capital for your company growth</p>	<p>https://podjetniskisklad.si/en</p>
	<p>Governmental Agency for the Promotion of Entrepreneurship, Internationalization, Foreign Investment and Technology</p>	<p>https://www.podjetniski-portal.si/</p>
	<p>Private Institute for young entrepreneurs is an entry point into the world of entrepreneurship. We help in the development of an entrepreneurial idea, together we find the appropriate form of business, check the cost aspect and taxes, if necessary we will take care of a virtual office or coworking for work. After the establishment, we can educate entrepreneurs about online marketing, and our legal department regulates the legal part and registration of the brand.</p>	<p>https://mladipodjetnik.si/</p>

	The Slovenian Enterprise Portal is intended for Slovenian entrepreneurs and those who would like to become one - with a focus on digital marketing.	https://podjetniski-portal.com/
Germany	<p>Business Start-Up Portal and Support Programs of the Federal Ministry of Economic Affairs → consultancy & financial aid, brochures etc.</p> <p>Example Program “EXIST” to improve the start-up environment at higher education institutions and research establishments (Website available in German only) + Overview of funding possibilities</p>	<p>https://www.existenzgruender.de/EN/Home/inhalt.html</p> <p>https://www.bmwi.de/Redaktion/EN/Dossier/start-ups.html</p> <p>EXIST Website</p> <p>https://www.bmwi.de/Redaktion/DE/Artikel/Mittelstand/gruendung_sfinanzierung-exist.html (only in German)</p>
	<p>Regional Support e.g. in Bavaria “Gründerland Bayern” from the Bavarian Ministry of Economic Affairs, Regional Development and Energy → Consultancy & Coaching, Financial Support for Founders, cheap credits etc., Network, ...</p>	<p>https://www.gruenderland.bayern/en/</p> <p>Flyer: https://www.gruenderland.bayern/fileadmin/user_upload/gruenderlandportal/dokumente/2018-11-22_8041_Flyer_Gruenderland_en.pdf</p>
	<p>Chamber of Industry and Commerce (IHK): Program “Business start-ups and business promotion” → Consultancy & Coaching, Seminars, Workshops, etc. (regional offers)</p>	<p>Website in German only: https://www.ihk.de/existenzgruendung-und-unternehmensfoerderung</p>
	<p>Regional and branch specific cluster organizations to give support → Clusters provide a network, from which especially start-ups and entrepreneurs take a profit</p> <p>The “Digital Hub Initiative” from the Federal Ministry for Economic Affairs and the Federal Ministry for Education and</p>	<p>https://www.clusterplattform.de/CLUSTER/Navigation/EN/Home/home.html</p>

	<p>Research set up 12 Hubs</p> <p>Example for a specific entrepreneurs cluster: “Entrepreneurship Cluster Mittelhessen” from the Justus-Liebig-University Gießen</p>	<p>http://www.uni-giessen.de/fbz/fb02/fb/ueberuns/einrichtungen-fb02/ecm?set_language=en</p>
	<p>Several private associations and independent consultants supporting founders</p> <p>Example: “Deutschlands Gründer” with a well-maintained website full of information for entrepreneurs</p>	<p>https://deutschlands-gruender.de/</p>

⑩ National and EU funding programmes

General Introduction

A number of national, structural and European funding programmes exist for the support of aspiring young entrepreneurs and innovative start-ups. The EU has several different funding programmes that a person or legal entity can apply for, depending on the nature of their business or project.

Based on the **Europa website** (https://europa.eu/youreurope/business/finance-funding/getting-funding/eu-funding-programmes/index_en.htm), there are two different types: direct funding and indirect funding.

Direct funding: The allocation of direct funding capital is managed by the European Institutions. There are two types of funding: grants and contracts. You can **apply for grants and contracts** managed by the European Commission on the Funding and Tenders portal.

Grants: Grants are given to specific projects that relate to EU policies, usually following a public announcement known as a **call for proposals**.

Eligible applicants: An applicant for a grant is someone who runs a business or a related organisation (business associations, business support providers, consultants, etc.) that run projects that further the interests of the EU or contribute to the implementation of an EU programme or policy.

Contracts: Contracts are issued by EU institutions to buy services, goods or works that they need for their operations, such as studies, training, conferences or equipment.

Indirect funding: Indirect funding is managed by national and regional authorities and comprises nearly 80% of the EU budget, mainly through 5 big funds that come under the umbrella of the European Structural and Investment Funds.

The funds are:

- European Regional Development Fund – regional and urban development
- European Social Fund – social inclusion and good governance
- Cohesion Fund – economic convergence by less-developed regions
- European Agricultural Fund for Rural Development
- European Maritime and Fisheries Fund.

Apply for funding: To access EU grants, a person should apply via the relevant regional or national authorities (known as managing authorities) in the member state where each person is registered.

POPULAR EU FUNDING PROGRAMMES FOR YOUNG ENTREPRENEURS

At EU level, these most popular funding programmes are the following three: Horizon 2020 SME Instrument Programme, EUROSTARS and Erasmus for Young Entrepreneurs. A short description for each programme is provided below.

Horizon 2020 SME Instrument Programme:

The EIC SME Instrument is a public funding programme that funds risk innovation in small businesses. It funds market-creating innovation in disruptive small businesses that have significant growth potential and global ambitions. SME Instrument is part of Horizon 2020 – the EU's 80 billion € funding programme for Research and Innovation for 2014-2020. The SME Instrument offers full-cycle business innovation support.

Companies can apply for two distinct phases: Phase 1 offers a lump-sum of €50000 to carry out a concept and feasibility assessment. Phase 2 invests between €0.5 and 2.5 million in innovation activities such as demonstration, testing, prototyping, pilot lines, scale-up studies and market replication.

EUROSTARS EUREKA Funding Programme:

Eurostars supports innovative international projects led by research and development-performing small- and medium-sized enterprises (R&D-performing SMEs). With its bottom-up approach, Eurostars endorses the development of rapidly marketable innovative products, processes and services that help improve the daily lives of people around the world. Eurostars has been carefully developed to meet the specific needs of SMEs. It is an ideal first step in international cooperation, enabling small businesses to combine and share expertise and benefit from working beyond national borders.

Eurostars is a joint programme between EUREKA and the European Commission, co-funded from the national budgets of 36 Eurostars Participating States and Partner Countries and by the European Union through Horizon 2020. In the 2014-2020 period, it has a total public budget of €1.14 billion.

Erasmus for Young Entrepreneurs (EYE)

Erasmus for Young Entrepreneurs is a cross-border exchange programme which gives new or aspiring entrepreneurs the chance to learn from experienced entrepreneurs running small businesses in other Participating Countries.

The exchange of experience takes place during a stay with the experienced entrepreneur, which helps the new entrepreneur acquire the skills needed to run a small firm. The host benefits from fresh perspectives on his/her business and gets the opportunity to cooperate with foreign partners or learn about new markets.

The stay is partly financed by the European Commission.

As a **new entrepreneur**, a person will benefit from on-the-job training in a small or medium-sized enterprise in another participating country. This will ease the successful start of the new entrepreneur's business or strengthen their new enterprise. This person will also benefit from access to new markets, international cooperation and potential possibilities for collaboration with business partners abroad.

As a **host entrepreneur**, a person can benefit from fresh ideas from a motivated new entrepreneur that has relevant ideas for their business. The new entrepreneur may have specialised skills or knowledge in an area that the host entrepreneur does not master, which could also complement yours. Most host entrepreneurs enjoyed the experience so much that they decide to host other new entrepreneurs afterwards.

"Erasmus for Young Entrepreneurs" is financed by the European Commission and operates across the Participating Countries with the help of the local contact points, competent in business support (e.g. Chambers of Commerce, start-up centres, incubators etc.). Their activities are coordinated at European level by the Support Office of the Programme.

European Commission Brexit preparedness notices

- EU publications on Brexit
- UK government information and guidance on Brexit

National perspective: Cyprus

In Cyprus there are several national funding opportunities from government organisations, such as the Cyprus Chamber of Commerce and Industry (CCCI) along with local Chambers of Cyprus cities. The Employers and Industrialists' Federation (OEB), the Ministry of Commerce and Industry of Cyprus and the Young Business and Professional Women (Young BPW) Association are also providing several funding opportunities to young people and women who have their business idea and want to develop their company.

In addition, there are several non-governmental companies and organisations who support start - ups through funding, coaching, counselling and other services. Such companies are: IdeaCy (byBank of Cyprus and CIIM), A.R.I.S, (by Deloitte and Bank of Cyprus) and Chrysalis Leap.

The Human Resource Development Authority of Cyprus (HRDA), a public law body in Cyprus, aims to create the conditions for planned and systematic training and development of the human resources of Cyprus. HRDA runs several programs such as Training Programs for Employees / Organizations and Training Programs for Unemployed and New Market Entrants

National perspective: Germany

In general, we need to distinguish *Funding = Subsidies* and *cheap financing (= credit)* possibilities. Both are helpful in a founding process. There are many ways, the state supports Start-Ups in Germany. Some of them are listed here:

The state financially promotes Start-Ups with:

- Advisory grants (“Beratungsförderung”)

The "Promotion of entrepreneurial know-how by management consultancies" refers to a promotion programme that has been in existence in Germany since 01.01.2016 for founders and entrepreneurs.

Therefore, the Federal Office for Economic Affairs and Export Control (BAFA) subsidises consultancy services for start-up companies, existing companies and companies in difficulty on all economic, financial, personnel and organisational issues relating to company management.

- Start-up subsidy for unemployed (“Gründungszuschuss” & “Einstiegsgeld”)

The start-up subsidy is to support recipients of unemployment benefits who want to become self-employed and end their unemployment. There are different grant opportunities for short-time unemployed and for long-term unemployed.

- High-Tech Founders Fund (High-Tech Gründerfonds)

The High-Tech Gründerfonds invests equity capital in young technology companies while assuming higher risks than private investors. With the help of seed financing, the start-ups are to lead the technology to the prototype ("proof of concepts") or market launch ("proof of market").

Besides the state, also private companies from the industry participate and invest in the fund.

<https://high-tech-gruenderfonds.de/en/>

- INVEST - Venture capital grant (Zuschuss für Wagniskapital)

This program supports private investors who acquire shares in young innovative companies. A prerequisite is the company's certified eligibility for funding (by BAFA). The investor receives 20 percent of the issue price of his investment back as a purchase subsidy if the investment is held for at least three years.

National perspective: Portugal

Portugal2020

<https://dp.tecnico.ulisboa.pt/en/programas-financiamento/nacionais/portugal2020/>

Portugal2020 is the partnership agreement between Portugal and the European Commission, which brings together five European Structural and Investment Funds (ESIF): European Regional Development Fund (ERDF), Cohesion Fund (CF), European Social Fund (ESF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF), that defines the programming principles that enshrine the policy of economic, social and territorial development to be promoted, in Portugal, between 2014 and 2020.

There are four thematic Operational Programs (OPs):

Competitiveness and Internationalization

<http://www.poci-compete2020.pt/>

Its objective is to contribute to the creation of a more competitive economy, based on knowledge-intensive activities, betting on tradable and internationalized goods and services, and strengthening the qualification and export orientation of Portuguese companies, especially SMEs.

Human capital

<https://www.poch.portugal2020.pt/pt-pt/Paginas/default.aspx>

Aims to promote the increase in qualification of the population adjusted to the needs of the labor market and in convergence with European standards, guaranteeing the improvement of the quality level in the acquired qualifications, improving school success, reducing abandonment, promoting equality, social cohesion and personal development and citizenship, together with the strengthening of the country's economic competitiveness.

Social Inclusion and Employment

<http://poise.portugal2020.pt/inicio>

Aims at strengthening the integration of people at risk of poverty and combating social exclusion by ensuring that innovative measures of social intervention are promoted and direct support is provided to the most disadvantaged groups, active employment policies and other instruments to safeguard social cohesion.

Sustainability and resource efficiency - Sustentabilidade e eficiência no uso dos recursos

<https://poseur.portugal2020.pt/>

It aims to contribute to the affirmation of the Europe 2020 strategy, especially in the priority of sustainable growth, responding to the challenges of transition to a low carbon economy based on a more efficient use of resources and the promotion of greater resistance to climate risks and disasters.

There are Regional Operational Programs Ops:

- five on the continent (North, Center, Lisbon, Alentejo and Algarve)
- two for the Autonomous Regions (Madeira and the Azores)
- one Technical Assistance OP
- three Development OPs (Mainland, Azores and Madeira)
- one OP for the Maritime Affairs

NORTE 2020 – North Regional Operational Program

<http://www.norte2020.pt/>

CENTRO 2020 – Regional Operational Program of the Center

<http://www.centro.portugal2020.pt/>

LISBOA 2020 – Regional Operational Program for Lisbon and Vale do Tejo

<http://lisboa.portugal2020.pt/>

ALENTEJO 2020 – Regional Operational Program of Alentejo

<http://www.alentejo.portugal2020.pt/>

CRESC Algarve 2020 – Regional Operational Program of the Algarve

<https://algarve2020.pt/info/>

Operational Program of the Autonomous Region of the Azores

<http://poacores2020.azores.gov.pt/>

Operational Program of the Autonomous Region of Madeira

<http://www.m1420.madeira.gov.pt/m1420/>

National Perspective - Slovenia

Support provider	Type of support
<u>Slovenski podjetniški sklad</u>	Innovation start-up funds for innovative enterprises (P2A and P2B): start-up capital for new innovative companies, more favourable sources of funding for corporate development investments (subsidies, guarantees), promotion of private investment (equity, loans, guarantees)
<u>Agencija RS za kmetijske trge in razvoj podeželja</u>	Support for the creation and development of microenterprises
<u>Zavod RS za zaposlovanje</u>	Self-employment subsidies / occasional provision of grants for self-employment
<u>Slovenski regionalno razvojni sklad</u>	Financial incentives, especially in the form of returnable funds, for initial investments in the field of entrepreneurship, agriculture, regional development, financial investments in regional guarantee schemes, pre-financing projects with approved European funds
<u>SID banka</u>	Providing favourable financial resources for companies, export insurance business
<u>Eko sklad</u>	Providing favourable financial resources for investing in environmentally-oriented projects and energy efficiency

National Perspective - Romania

In Romania funding opportunities from EU non-reimbursable programmes are related mainly to Operational Programmes and National Programme for Rural Development, for strategic programming period 2014-2020.

Operational Programmes are focused on specific domains for development, as follows:

- **REGIONAL DEVELOPMENT**, including the following priorities: 1. Promoting technological transfer, 2. Improving SMEs competitiveness, 3. Supporting transition to a low carbon emissions economy, 4. Supporting the sustainable urban development, 5. Improving urban environment, conservation, protection and sustainable exploitation of cultural heritage, 6. Improving regional road infrastructure, 7. Diversification of local economies through sustainable tourism development, 8. Developing the social and health infrastructure, 9. Sustaining the economic and social regeneration of disadvantaged communities from urban areas, 10. Improving the educational infrastructure, 11. Geographic expansion of the property registration system, 13. Supporting the regeneration of small and medium towns
- **HUMAN CAPITAL DEVELOPMENT**, including the following priorities: 1. “Jobs for young people” Initiative, 2. Improving the situation of NEETs young people, 3. Jobs for all people, 4. Social inclusion and combating poverty, 5. Local development under community responsibility, 6. Education and competencies.
- **COMPETITIVITY**, including the following priorities: 1. Research, technological development and innovation for sustaining economic competitiveness and business development, 2. Information and communication technology for a competitive digital economy.
- **BIG INFRASTRUCTURE**, including the following priorities: 1. Improving the mobility by developing TEN-T network and metro, 2. Developing a sustainable and efficient multimodal transportation system, 3. Developing the environmental infrastructure through an efficient resources management, 4. Environmental protection by biodiversity conservation measures, air quality monitoring, decontamination of historically polluted sites, 5. Promoting adaptation to climate change, risk prevention and management, 6. Promoting clean energy and energy efficiency for sustaining a low carbon emission economy, 7. Increasing the energy efficiency in case of centralized heating system, 8. Smart and sustainable systems for energy and natural gas transportation.
- **FISHERIES AND MARITIME BUSINESSES**, including the following priorities: 1. Promoting sustainable, efficient, innovative, competitive and knowledge-based fishing, 2. Stimulating sustainable, efficient, innovative, competitive and knowledge-based aquaculture, 3. Encouraging the implementation of PCP (CFP), 4. Increasing the employment rate and enhancing the territorial cohesion, 5. Stimulating sales and processing, 6. Encouraging the implementation of PMI (IMP).

- **NATIONAL PROGRAMME FOR RURAL DEVELOPMENT**, dedicated to the projects implemented into rural areas, include the following measures: 1. Actions for knowledge transfer and information, 2. Advisory services, farm management and farm replacement services, 3. Quality systems for agricultural products and food, 4. Investments in physical assets, 6. Farms and enterprises development, 7. Basic services and renewal of villages in rural areas, 8. Investments in forested areas and for improving forest viability, 9. Setting up groups and organisations of producers from agriculture and forestry, 15. Climate and forest conservation services, 16. Cooperation, 17. Risk management, 19. Support for local development under community responsibility – LEADER.

In order to apply for those programmes you have to study the applicants guide and to verify, with the assistance of a consultant, the compliance with the eligibility criteria related to the applicant, type of activities and expenses financed through grant, the criteria of technical and economical evaluation, the procedures related to submission and grant allocation.

INFORMATIONS related to applicants guides could be found at the following links: www.fonduri-structurale.ro, www.finantare.ro . Also, you could find an updated catalogue of financing sources edited by Centre Regional Agency (ADR Centru) at the following link: <http://www.adrcentru.ro/detalii.aspx?t=pfcatalog>

On the official website of European Commission in Romania https://ec.europa.eu/romania/business-funding_ro, https://ec.europa.eu/info/funding-tenders_ro you could find information related to the financing opportunities available from European Commission for developing your business.

As regarding national programmes for SMEs, most of them are implemented by the Agency for Entrepreneurship and Programmes for SMEs (<http://www.aippimm.ro/categorie/programe/>), that manages non-reimbursable financing programmes addressed to newly established businesses (start-ups), entrepreneur women, micro-industrialisation, services and commerce, crafts and handicrafts, participation in fairs and exhibitions.

The most popular is the Programme for stimulating SME establishment - **START – UP NATION ROMANIA**, a multiannual programme that support almost 10,000 new companies with an amount of 2 000 000 000 RON.

The objective of the programme is to stimulate the foundation and development of SMEs and improving their economic performances, the creation of new jobs, focusing on the insertion of disadvantaged people, unemployed, graduates on the labor market and increasing the investment in innovative technologies.

The maximum value of the grant is of 200 000 RON/ business plan, covering 100% of eligible costs, that include:

- investment in technological equipment
- purchase of installations/ specific equipment for energy savings
- purchase of working spaces, spaces for production or for services/ commerce
- purchase of heating and air conditioning systems
- investment in means of transportation
- purchase of furniture, office equipment and protection systems
- investment in intangible assets (such as software, invention patents, franchises, ecological labeling etc.)
- wages, utilities and rent for working spaces
- web page for promoting the activity
- training for the development of entrepreneurial abilities
- non- deductible VAT
- consultancy services
- guarantee fees.

One of the main conditions for obtaining the grant is to create at least 1 new job and to maintain it at least 2 years after the implementation of business plan financed through this programme.

Selection criteria take into consideration the following items: domain of activity, additional jobs created, at least one job created for disadvantaged people/ unemployed/graduate, location in the counties that have a number of SMEs at 100 inhabitants under 4, the investment in technological equipment and software over 60% from eligible costs, the associate/ administrator had no companies that had been declared in insolvency or bankruptcy in the last 5 years.

Conclusion

Our handbook is a complete guide for young entrepreneurs, who are aspiring to develop their new businesses further and grow their company at national and EU level. The uniqueness of this handbook is that it combines the accumulated knowledge and expertise of five EU organisations in the area of entrepreneurship and start-ups, providing a comprehensive step-by-step guide on the key issues that a young entrepreneur needs to consider during the first steps of their entrepreneurial journey.

The focus of our handbook is in four levels:

- How to develop soft and entrepreneurial skills that are necessary when becoming an entrepreneur for the first time
- How to understand the needs of the target groups/clients and develop products/services based on these needs
- How to use practical business and entrepreneurial tools (like the Business Model Canvas and the Value Proposition Canvas) to understand the current state that the new business is at following an evaluation at high level and how it can be further developed.
- How to utilise available help from support structures, business organisations (incubators, accelerators, business angels, etc.) and take advantage of national and EU funding programmes targeting young entrepreneurs.

Our partners have chosen the topics/modules of this handbook following the implementation of extensive primary and secondary research at national and EU level, in order to identify the gaps in existing similar training and coaching programmes and to meet the needs of aspiring entrepreneurs across Europe.

The handbook will be utilised during the seminars with young entrepreneurs/managers happening in Cyprus and Romania during Autumn 2019. The pilot testing participants will be providing detailed feedback on the content, structure and format of this handbook and a final revision will follow during the summer of 2019. The completed IO2 Handbook will be provided on an online platform of the project, in order to be easily accessible by young entrepreneurs/managers from across the world.

Annex: Exercises

Chapter 8 - Marketing and commercialisation plan

Exercise 1 - The marketing planning process questionnaire

The first exercise enables you to make an objective analysis of your company's marketing planning process. If you choose, you can then take matters further by working out in what ways the planning process might be improved.

This questionnaire enables you to make an objective assessment about the marketing planning process in your company. It is designed to enable you to take a 'helicopter view' of the way your company does its planning and then to home in on the areas where improvements can be made. This approach will also enable you to identify information gaps that might be unknown to you at present. Although care has been taken to use generally accepted terminology in the wording of this questionnaire, there will always be the company that uses different words. For example, when we talk about return on investment (ROI), other companies might well use other expressions or measures, such as return on capital employed, etc. With this caveat in mind, please respond to the questionnaire by putting a tick against each question in one of the four columns provided.

	Yes	No	Don't Know	Not applicable
Section 1				
Corporate issues				
1. Is there a corporate statement about:				
(i) The nature of the company's current business mission?				

(ii) Its vision of the future?				
2. Is there a target figure for ROI?				
3. Is there a corporate plan to channel the company resources to this end?				
4. Are there defined business boundaries in terms of: (a) Products or services (that will be offered)? (b) Customers or markets (to deal with)? (c) Operations facilities? (d) Distribution facilities? (e) Size and character of the workforce? (f) Sources and levels of funding?				
5. Are there objectives for promoting the corporate image with: (a) The stock market?				

(b) Customers?				
(c) The local community?				
(d) The employees?				
(e) Environmentalist/conservationist lobby				
(f) Government departments?				
(g) Trade associations, etc.?				
Section 2				
Strategic issues				
1. Is there a marketing plan?				
2. Is it compatible with the corporate plan?				
3. Does it cover the same period?				
4. Is the marketing plan regularly reviewed?				

5. Is the plan based on an assessment of market potential and past performance?				
6. Will the plan close the 'gap' if carried out?				
7. Is there a marketing plan by product/service?				
8. Do relevant managers have a copy of the marketing plan?				
9. Are the following factors monitored in a regular and conscious way, in terms of how they affect the company's business prospects?				
Section 3				
<p>SWOT analysis</p> <p>1. Is there someone (individual or group) responsible for converting the analysis of factors in Section 2 into a summary which highlights:</p> <p>(a) The company's principal strengths?</p> <p>(b) The company's principal weaknesses (in terms of relating to external opportunities/ threats)?</p>				

<p>2. Does this person(s) have access to the necessary information?</p>				
<p>3. Is this person(s) sufficiently senior for his or her analysis to make an impact?</p>				
<p>4. Is the organizational climate such that a full and accurate analysis is seen as a striving for improvement rather than an attack on specific departments or vested interests?</p>				
<p>Section 4</p>				
<p>Assumptions</p> <p>1. Is there a set of assumptions around which the marketing plan is formulated?</p>				
<p>2. Are these assumptions made explicit to senior company personnel?</p>				
<p>3. Do they cover:</p> <p>(a) The business environment?</p> <p>(b) The market?</p> <p>(c) The competitors?</p>				

(d) The industry?				
4. Are the assumptions valid in the light of current and predicted trading situations?				
Section 5				
Marketing objectives/strategies				
1. Are the marketing objectives clearly stated and consistent with the corporate objectives?				
2. Are there clear strategies for achieving the stated marketing objectives?				
3. Are sufficient resources made available?				
4. Are all responsibilities and authority clearly made known?				
Section 6				
Monitoring evaluation				
1. Is the planning system well conceived and effective?				

2. Do control mechanisms exist to ensure planned objectives are met?				
3. Do internal communications function effectively?				
4. Are there any problems between marketing and other corporate functions?				
5. Are people clear about their role in the planning process?				
6. Is there a procedure for dealing with nonachievement of objectives?				
7. Is there evidence that this reduces the chance of subsequent failure?				
8. Are there still unexploited opportunities?				
9. Are there still organizational weaknesses?				
10. Are the assumptions upon which the plan was based valid?				
11. Are there contingency plans in the event of objectives not being met/conditions changing?				

Scoring and interpretation for Exercise

1. Add up how many ticks were listed under 'not applicable'. Based on our experience, if there are more than eight ticks, then some aspects of planning that are covered by most companies are being avoided. Reappraise those items you initially ticked as 'not applicable'. Try getting a second opinion by checking your findings with colleagues.
2. Look at those items you ticked as 'don't know'. Find out if those activities are covered in your company's planning process.
3. Having ascertained what is and what isn't done in your company, list: (a) the good things in your company's planning process (b) the bad things about it.
4. Make a note, in the space on page 60, or on a separate sheet of paper, of ways in which you think the planning process in your company could be improved.