Handbook for Entrepreneurs

Objectives

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

This handbook has as its main objectives:

- to help entrepreneurs to have a different perspective of the business
- to evaluate objectively the business stage
- to have an overview of needed soft skills for developing the entrepreneurship competence
- to have on hand exercises for developing the soft skills needed
- to obtain a more balanced entrepreneurial personality
- to give best practice from an international team

The project MultiENT Coach was proposed for financing due to the necessities identified by the partners when offering consultancy services to the entrepreneurs. Partners involved in MultiENT Coach feel that fostering entrepreneurship can be a main means to mitigate societal problems and foster economic growth and the capacity to cope with change in their societies. This is in line with political priorities in all of the 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 don't overcome the theory-practice gap. A more practical and pragmatic approach is needed, including face to face support and coaching. All partners developed critical components for such a concept, but lack the resources and knowledge of other current good practices on an international level, to develop and test an innovative concept.

The partnership of the project is the following:

- Foundation for Promoting the SME's Brasov, Romania,
- Institute für sozialwissenschaftliche Beratung GmbH, Regensburg, Germany
- GrantXperts Consulting Limited Nicosia, Cyprus
- PIA, informacijski sistemi in storitve d.o.o., Velenje, Slovenia
- Storytellme, Unipessoal Lda, Lisbon, Portugal

The aim of the project is to create a sustainable structure for developing entrepreneurial competencies for SME with less than 5 years seniority, from various sectors, including production, crafts, services or ICT and for 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 partner´s own knowledge and experiences in synthesizing a transferable model of such structures. 20 coaches will be trained for sustainable business founder support, 40 founders will be accessed and coached and a sustainable support platform will be built online.

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

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① Self-assessment of entrepreneurial competence and Personal Resources

> "Action breeds confidence and courage.
>
> If you want to conquer fear, do not sit home and think about it. Go out and get busy."
>
> – Dale Carnegie –

- **Description**

Entrepreneurs have many different profiles. They come from a wide range of backgrounds and age groups, and 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 products or services needed by the community, and have the capacity to deliver them at the right time and at the right place.

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 particular 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 explore the reason why and maybe your tutor can help you on this; in case you have a high score then you may be more enterprising.

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 independent 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 are 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 2 or 3 big differences to your rater. 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			
rd work and self-discipline			
Optimism			
Wisdom & common sense			
Opportunistic			
Judement & 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 Support structures in the development of the business

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 to 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 offers specialized consultancy in order to find solutions for different aspects related to business development, such as: strategic development, innovation, investments, financing sources, marketing, juridical matters, human resources management, quality management, exposure to risks etc.

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

- providing specialized business information in the fields mentioned above;

- offering advice for solving client's problems;

- making business diagnosis and recommendations based on it;

- assisting on implementation of recommended solutions;

- facilitating client learning, that means teaching 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 specialized skill set that doesn't exist in small companies and could help to solve business problems. Sometimes problems that had to be solved are really important, but companies not have the specialised manpower to focus on them and hiring new employees to fill this gaps doesn't make sense, so in this case consultants serve as temporary, highly skilled employees that bring expertise at 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 wouldn't have been able to see 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 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;

- specialized 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.

(*Links to business consultancy centres from each partner country …*)

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 fair, exhibitions and other events in order to promote members businesses etc.

(*Links to business associations from each partner country …*)

BUSINESS ACCELERATORS refers 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: to apply on the website of European accelerators or to participate to different events organized by business accelerators.

Most of 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://launchub.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.

(Links to business accelerators from each partner country …)

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

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

- co-working space for business office 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 as marketing, branding, juridical, accounting, financing resources etc.;

- mentoring, coaching;

- participation of 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 related to 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 common projects (ex.IT)

The most well-known business hubs in Romania are: *Ingenius Hub, Impact Hub, Tech Hub Bucharest, Connect hub, Youth Hub*.

(Links to business hubs from each partner country …)

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/ 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.

(*Links to clusters from each partner country …*)

VENTURE CAPITAL refers to a form of financing provided through funds invested as private equity in small, emerging companies that have high grow 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.

BANKING INSTITUTIONS offers 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.

③ Soft skills

Preparation stage - a motivational attitude

Vision - Ability of creative imagination

"If you can dream it, you can do it" - Walt Disney

Description of the skill

Creative imagination and goal visualisation is where it all begins if you like to increase 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 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 say about 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 life of your target customers.

By having the ability to visualise your goals, you do a few important things:
- 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 mean to give up your bad habit of complaining, specially about money, expenses and not having enough of it. This makes you slow, prevents you to step further in your endeavours. Complaining also implies you aren't doing anything about it. There is no action connected to it, it is just destroyer of your vision. Whenever you caught yourself that you are complaining - go back to your vision and let it sit in your feelings.

Supporting evidence and practices

Imaging process is well researched and supported by evidences. 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 a 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 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"*, was written by self made millionaire Napoleon Hill. This book is so important for businessmen 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 fail

"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 the fear of failure don't want to try new things, they have procrastination and talk their self-down, and usually are also perfectionist.

1 out of 4 startups fail from the fear of fail. 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 important to be as enthusiastic about failure as they are about success. They need to be aware about risks and failure on one side and success and welfare on the other side. 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 about 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 with loving what they are doing and reading their goals again again.

It is good that they don't know everything in advance. Their business will grow gradually and their steps will be depending on it. They should not wait that 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 terrified 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 develop their skills further and at the same time their company. The mentor should be a skillful and positive person who is able to understand the entrepreneurial environment and the activities of the new startup in order to be able to mentor and coach the young entrepreneur accordingly. This type of support and

guidance is really important and fruitful for a young entrepreneur. Thus young entrepreneurs should select their mentor/coach carefully; check his/her successes 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 advices 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 failure or to achieve success. His studies suggested that in avoidance, the need to avoid failure, was found in many college-aged men during the time of his research in 1938. This was a monumental finding in the field of psychology because it allowed other researchers to better clarify 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) important others losing interest, (e) upsetting important 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 experiencing fear of failure.

In summary, those 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 really important for young entrepreneurs to visualise their goals and make 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 support their self; write their goals on the paper and put them on the wall; visualize their final goals and read them on a daily basis or whenever they feel stressed or disappointed to remind their self 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 fail and be more optimistic is the method of Framestorm. Its aim is to pause and disturb a hard-wired connection in the brain by gently redirecting attention to completely new and different perspectives on the situation. It can also be a co-created method with a Framestorm facilitator.

3 steps:

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 criticizing and excluding options but about identifying 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, Rasheeal (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/3AkjzDHuWKM

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 employee 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 pay day, 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. With your business you need to foresee the difference you are making - and you need to believe it. Saying that, money needs to be consequence of your action, not the predominant 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 important. Working towards a dream feels amazing, 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 has the possibility to be your life's work. When your dream becomes your life work, it gives you a sense of meaning that no amount of money can give you.

Supporting evidence and practices

According to the 'Expectancy Theory of Motivation' by a 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, purpose is the most important factor influencing brand choice when quality and price are equal.

At the beginning, Airbnb struggled to survive instead of living great idea, have nice 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 grown rapidly and is now valued at $25.5 billion (year 2018).

To consider: Clients hire you to get a problem solved. They may need a prettier website, better accounting or more leads for their business. The point is they need a problem solved. So, don't charge them by the hour of your work; make payment system in a way that your clients will instantly see what they are getting for their money.

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 practicing. Learning 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 do 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 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 nice gathering with friends? Make a decision 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 lower unemployment, and apart from its utility, learning is fun. It's a joy to engage in a new topic. Having an array of interesting topics at your disposal when speaking to colleagues or friends can boost your confidence. It's also fulfilling to finally understand a difficult new subject.

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, firstly 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 dramatically aid a learning regimen. 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 really important for you to unlearn what you have learned in order 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 skill is not optional in today's business environment. "It is not enough to be smart – you need to always 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 constantly 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 give to the project.
• Make sure it is needed - 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 up front what the return will be.
• Know how you learn best – Some learns best by looking at graphics or reading. Other prefer to watch demonstrations or listen to things being explained. Still others need a 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 greatly 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 focus 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 of 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 teach 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

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 expansion 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 technology, 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. At the real heart of entrepreneurship are three things: the ability to identify or recognise opportunity, the ability to review or assess opportunity, and last but not least, the ability to successfully execute and realise 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 some ability to recognize opportunities. Industries usually evolve based on societal changes, customer preference changes or technological advances. 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

Handbook for Entrepreneurs and Training Curriculum

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 situation, 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. Together 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 are 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 superior business performance.
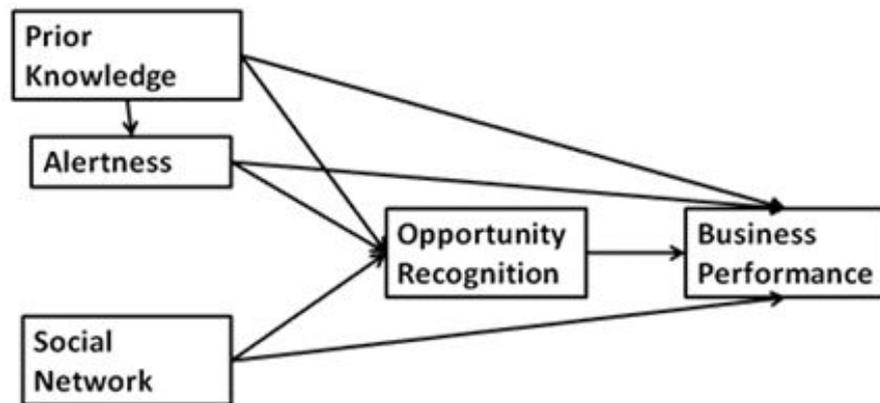
Supporting evidence and practices

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 that 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 for entrepreneur to discover them. The second perspective comes of the constructionists whom 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 also 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 opportunity. Shane (2012) proposes that prior knowledge in a particular industry provides entrepreneur the capacity to better recognise opportunities.

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 Science11.4 (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: Interdiciplinary Survey and Introduction. 2nd editio. 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 vocations, like software engineers, use the creativity on daily basis to reinvent their code while others, like tailors, sometimes hiding these skills. But all of them shows their creativity in their product or service - and customers supports it with the purchase. So, how to improve our ability to be creative?

Iny and Brabandere, specialists in creativity and scenario planning who has trained thousands of executives use 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 synonym of free thinking, non 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 times and rules. 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 tidy desk and are stereotyped as bushy hair people with glasses while business managers should be in the suit with the 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 of their teams the room they need to be truly creative. Indeed, a new book from management consultancy the Boston Consulting Group goes so far as to argue that managers often kill creative and ground-breaking 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 the 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 no matter what hobby 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
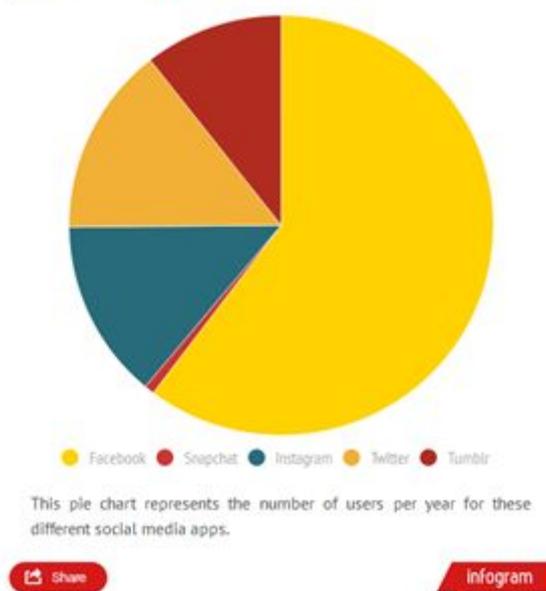
"Nothing builds your brand like a good story". - Susan Chritton

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 a 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 Internet. Once information has been placed online, it can never really find its way off. Therefore, we must be prudent about what information we place 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

Facebook ● Snapchat ● Instagram ● Twitter ● Tumblr

This pie chart represents the number of users per year for these different social media apps.

Share

infogram

In order 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 risk not looking 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!

To create your **personal brand**, you have also to identify your target audience (who you would like to communicate your brand to), set yourself apart from your competitors, and clearly synthesize what you stand for. In order to be able to create your personal brand, sometimes is really helpful to do your research and 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 really important to choose the tools that will help you develop your identity. With new apps being created everyday, there are countless ways to go about presenting 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; recognize 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, we had some great examples to fall back on if we needed 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 telling 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:NELR8t
huPRQC&hl=en&sa=X&ved=0ahUKEwjgho2F6fraAhVNYlAKHff7CZAQ6AEIJT

[AA](#)

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=mEQ3BohIf1o
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 seconds 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 great business model may not always take you far if you don't know how to present that idea. It's very key to be able to explain your idea 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 modeling.

Pitching skills will help you overcome the inherent fear of public speaking and 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 investors are presented with thousands of ideas, 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 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. You need to convince your investor that it's a good one. If you show 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/phrase you can adapt the story and use any unforeseen incidences 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 out 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 again 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 providing 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 wish to communicate and helps them understand how to shape these messages and when 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 do not repeat themselves. Once you have a final list of the key messages you can then 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 about 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 catch the audience's attention. Deliver your main message by stating your offering/ value proposition without going into specifics and make a first impression to 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 pain/ problem and how your offering addresses that pain/ 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 in your main message again and leave the audience with your ask (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/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 to 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 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, you 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 your 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 at you, which makes them listen to you and 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.

Umming and erring: Umming 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

Books

"One Perfect Pitch: How to Sell Your Idea, Your Product, Your Business or Yourself Hardcover" by Marie Perruchet goo.gl/uYUE36

Additional resources and links

· Videos of a 'one-minute pitch'

https://www.youtube.com/watch?v=i6O98o2FRHw

https://www.youtube.com/watch?v=3xn88qYx0OQ

·Video of elevator pitch

https://www.youtube.com/watch?v=5_wc7agBSZA

·Video of full pitch

https://www.youtube.com/watch?v=XSk3xO2-3rE

4 Ways to Strengthen Your Pitching Skills:
https://rbbcommunications.com/4-ways-to-strengthen-your-pitching-skills/

· *https://hbr.org/2003/09/how-to-pitch-a-brilliant-idea*

·

https://www.themuse.com/advice/7-better-ways-to-answer-what-do-you-do?ref=autocomplete

Persistence - never stop developing your business

Procrastination is a Death Sentence. It took some solid commitment for me to start treating my business like a real business — that means keeping real work hours, establishing routines, and sticking to them - Glasbergen

At the age of six I wanted to be a cook. At seven I wanted to be Napoleon. And my ambition has been growing steadily ever since. - Salvador Dali

Description of the skill

There is a million ways to do your business. One system is doing better than others and over time, things are changing. Technology changes. Attitude of customers changes. So, business owners should change their business too. This is just as true for developing your businesses as it is for personal development. You can always do better after you went through the process of first development.

In the past business world, traditional product development looks something like:
1. Spend months or years and millions of Euro to come up with the perfect product;
2. Spend millions more to market it and hope people buy;
3. You will know if you are succeeded or failed.

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 to develop it.

Ryan Holiday's book called *Growth Hacker Marketing* discusses the secrets of growth behind companies like Amazon and Uber. With use of the internet, a new model, called "growth hacking", has emerged. The phrase is only five years old and already gain significant momentum. You can Grow Hack offline or online - it is important that <u>you do not need to use standard or high cost channels</u> for getting feedback from the customers.

Growth hacking is the process of:
1. Start by asking your potential customers, 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 from feedback;
5. Repeat steps 3 and 4 until you have a perfect product.

By using this concept you will get your product quickly. 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 the marketing.

Supporting evidences and practices

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

Mind of the people is curious thing - not everyone think the same way. In general you will say that the lowering prices are more appealing to your clients. Not every time. Reducing prices to reduce proposal rejection is the worst thing you can do. If a customer is not finding value in your product, they'll cancel 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 the 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 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 show answers to your tough decisions as "good feeling about it", as relieve from fear or improved confidence in it. Evidence, that this is something businessman needs to consider is also the way how EU evaluate SME instruments applications. Section, which evaluators will give 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://g.co/kgs/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

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 need to have all the knowledge. Carpenters made the whole house - from flooring, cabinetry to door installation. Now, business is changed. Opportunities, due to the vast communication network, are now extensive. Some services, like coaching, once too expensive for the young entrepreneur, are now easy reachable.

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

Model is calling outsourcing - giving something to be developed to somebody outside your company. You can find many websites which connects clients (you) with the freelancer (somebody who is in general self-employed and has knowledge you need). Examples of such websites are www.freelancer.com and www.PeoplePerHour.com. These platforms allow millions to connect and share assets with minimal expense, sometimes even for free.

When you start to think about outsourcing, your role become more manager than the producer. You define the product, select developers, test the product and use it. Your role is to split the whole development into fine tasks and outsource it, check it after development and then put into the production. You're the boss - don't forget this.

One of the biggest failings in outsourcing is insufficient innovation. Freelancers will just 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 needed 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 another business model is calling "sharing economy". In this system, assets or services are shared between private individuals, either free or for a fee, typically by means of 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 the Airbnb!

So, you don't need to do everything by yourself and you can share what you posses in the time you do not need it. This will help you make progress much faster and with less time and money. Although you are the only one employed in your company, you can still behave as real boss and use the freelancers to do the tasks normally your employees will do.

Supporting evidence and practices

According to the Statista, USA based statistics company, global outsourcing industry revenue from 2010 to 2017 is from **80 - 100 billion US dollars per year.** At least 25% of this is made by different online services. That mean 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 enough specific knowledge)
- access to skills or resources you don't have in the company
- increased flexibility to meet changing business and commercial conditions
- accelerated time to market
- lower ongoing investment in internal infrastructure
- more time for focusing on another topics

All these benefits are important for the startups and company at the beginning of their life - insufficient time, money or professionals working in the company, not knowing the complete status of the market or simply just not knowing. 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-NIEiuwwvCxzpUj3KZar7PzEdVa9YptalBaP3rCQ/edit#

Handbook for Entrepreneurs and Training Curriculum

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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 to 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 sometimes painful consequences.

There are four basic steps in solving a problem:
1. Defining the problem - Diagnose the situation so that your focus is on the problem, not just its symptoms. Helpful techniques at this stage include using flowcharts to identify the expected steps of a process and cause-and-effect diagrams to define and analyze root causes. These steps support the involvement of interested parties, the use of factual information, comparison of expectations to reality and a focus on root causes of a problem.
2. Generating alternatives - Postpone the selection of one solution until several alternatives have been proposed. Having a standard with 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 for 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 that your team and your organization face. 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:**

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 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 solving 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). These 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 solve problems by examining what's working well in the areas surrounding them.
- Soft Systems Methodology is designed to help you understand complex problems so that you can start the process of solving them. It uses four stages to help you uncover more details about what's creating the problem, and then define actions that will 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 build 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 understand better 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 Excel, PowerPoint, and other common data analysis and communication tools, and perhaps 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 could have a yes or no outcome.
- Problem handler: Identifying a problem and then creating a repair to avoid it becoming a major problem.
- Collect information, analyze the data from the information collected, and come up with a solution to a problem

**Supporting evidence and practices**

In order to be able to develop further 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 realize 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 take 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; cannot replace detailed analysis. There are three main types of logic trees such as:

- 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 on of several solutions.

logic tree spread

logic tree example
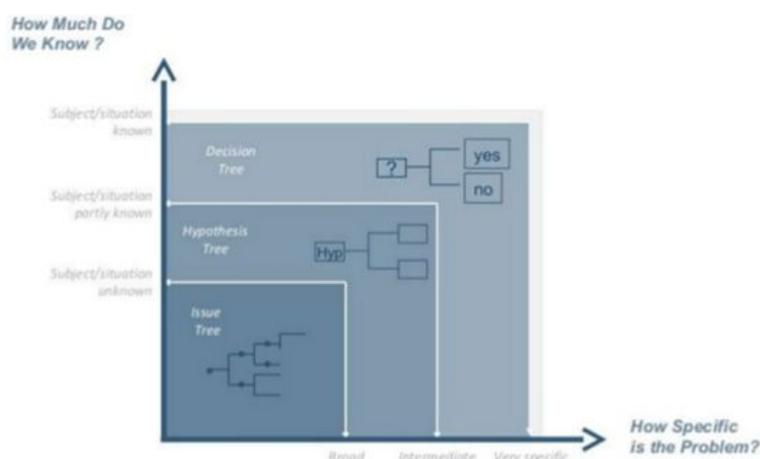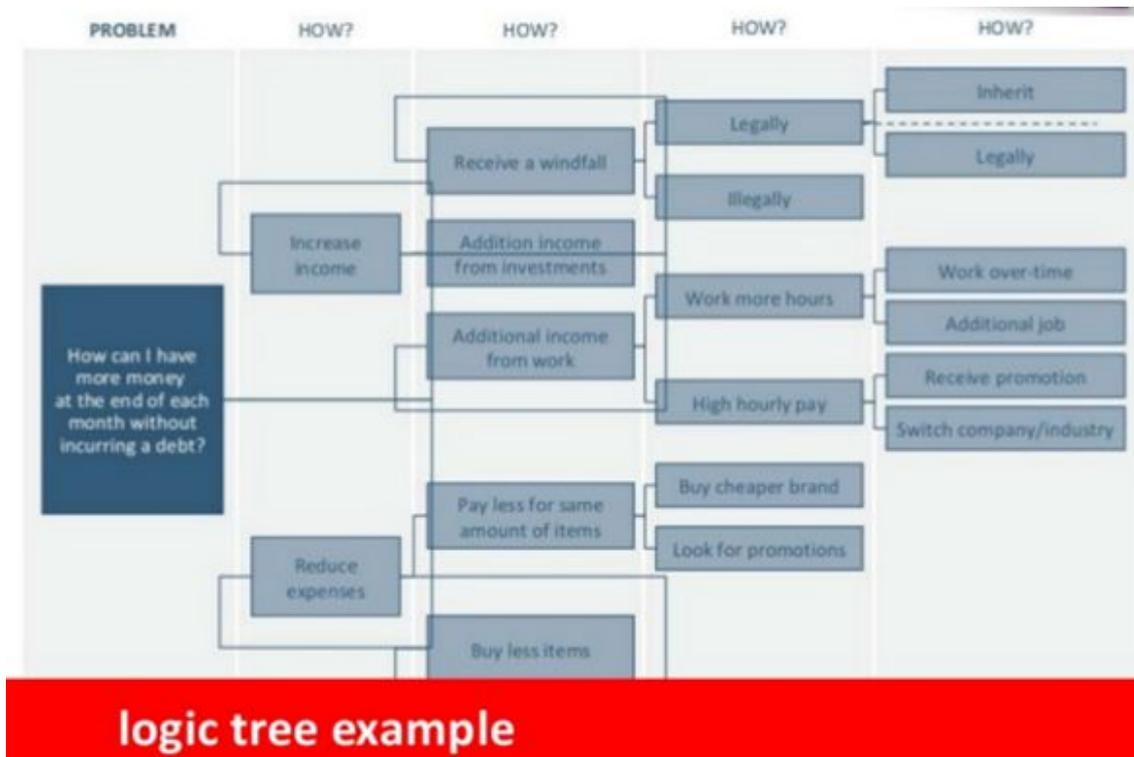
Books

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-jger.springeropen.com/articles/10.1186/2251-7316-2-7

Your buyer - 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, target audiences (consumers, partners, investors, media) move on because they're time-strapped, and there are so many competitive options. Building a strong value proposition means to start to gain a customer perspective, even before start thinking at a product or service. This lead us to start thinking at 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 expectation before getting their job done, in the middle of the process and even after the job is done. This kind of problems and expectations are not only functional. Considering customer's needs in a broad way, it's what it needs to get confident with customer's pains and gains (problems and expectations), not only the ones related with a functional problem, but also the ones that deal with social and personal expectations and the one related to the emotional sphere.

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 competitors? - customer approach

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

To develop an effective product, it is necessary to measure the degree of fit (coherence) between the values and expectations of the customer and the value proposition of the company. It is strategic to make changes in order to adjust the product on the basis of the client's suggestions, or point to different kind of customers.

The value of a product is never just a question of money, but incorporates a number of positive and negative variables that the client should consider when he/she buys a

solution for their needs. So the first step should be to focus on customer needs (or job to get done). Which are the jobs/tasks we help our customer to get done? 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 human beings that try every day to getting something done. The best things is 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 get done? (e.g. perform or complete a specific task, solve a specific 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. esthetics, 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 type of reasons: 1) it broads our chances of differentiations and makes positioning easier; 2) it helps understanding the market and our competitors in particular, because it allows us to better understanding the type of needs we are serving with our product.

The important part of this process is widen 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 better to always consider (where possible) the three types of jobs (emotional, social and functional), because it helps to better understanding the pains and the gains.
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 in satisfying a basic need, customers are social and emotional beings, trying to affirm themselves among others and trying to find a specific emotional state. Mapping all this things in the customers' segment of your value proposition canvas 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 have the customer's needs explained, and pains and gains outlined in the broadest way possible, we should rank them: the pains and the gains should be ranked by ranking the intensity and the urgency with which each of the pains impact on our customers map. This will help us in understanding what gain creator or pain reliever are

to be built or invest on. In doing so we have to start with a question: Which are the people that are trying to get this particular activity done?

To understand which customer you are targeting is also critical and vital to segment the market and understand how to direct its communications. Start define client according to their work, for example, or their hobbies or their role/involvement in society (sports associations, volunteer work, parishes, scouts, night clubbing).

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 brainstorming, making hypothesis and even driving your market test and pivoting decisions.

It is divided in two sides: on the right side you have 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 you have "The value proposition" which is divided (as the right side) in three: 1) products and services (your future product and services or the ones already on the market), 2) gain creators; 2) 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:
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 places you at point-of-purchase, close to your buyers (e.g., retailers) and end users.

Conduct a test of advertising spending levels in different test markets or, with a single business in one location, over different time periods. It is relatively easy to vary introductory spending in each market, if you are testing a number of geographical markets. However, one should have significant spending differences of at least +/- 50 percent in each market for each spending variable. Small companies (e.g., one store) may have to vary spending levels over matched periods of time and compare sales results. For example, try increasing your local newspaper advertising spending 50 percent over 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 dramatically stand out from the competition to be seen. While there are many ways to try, one of the easiest way 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 your business is an important part of strategic planning. There are some useful analytical tools available that help understand important factors in the business environment and competitive drivers in your industry as an initial step in undertaking competitor analysis. In addition to this, many businesses try to understand, in some detail, what its competitors are doing.

There is emerging market for providing tools for online competitive analysis. You can find 15 of them in [this article](#), which are useful with basic understanding of digital marketing. Some of them are offering 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 service can be improved.
- Propose improvements.

When you will have your improvements ready, use the growth hacking techniques. Sometimes things working for one and not for the other - 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 where you will be selling your product or service. Then, you can do some basic market research tricks:

- Shop in your competition store: Depending on what business they're in, you can

probably call them, visit their offices and perhaps buy from them. Get a price list.
- Talk to their customers: What do their customers like or dislike about them? Why and how do customers decide for them?
- When competitors are local, take a look at the phone book or other directory - to count the ads for the businesses they compete with. Analyze what the others businesses say in their ads, which points they emphasise. Check also 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 what your competitions 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

What 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 strategic plan appears the same. Here are the differences:

Business plan	Strategic plan
It is about **what** you will be doing to earn the money. It is base for your whole company (long term plan). ● Define the purpose of your business ● Provide structure for the main idea ● Describe your idea to potential investor	It is about **how** you will achieve your business goals in next three to five years (short term plan). ● 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 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 focus on management strategies in companies:

● 86 percent of executive teams spend less than one hour per month discussing strategy.
● 60 percent 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 processes 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 the right time to think about it at the startup of the company? The reason for that is dead simple - your customers!

Internet is part of your daily. It is not something used occasionally and it is not just about social media. Internet is base for all business communications and customer convenience is probably the most important factor that 71% of the customers thinks they will get better price online. Internet also means access to world-wide market and exploitation of global competition.

Usage of digital resources have two different areas - internal and external. Internal digitalisation means how we can organise our internal processes and external digitalisation means how our customers can access us, buy from us and be supported from us. While external digitalisation is almost always online, significant companies is doing internal digitalisation still on their computers and servers on their premises. In recent years, cloud based solutions is 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. A few months back, 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, put it: "The biggest line item in these companies now is rent and food... A decade ago, I don't think you could write a line of code for less than $1 million."

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

Office need

Microsoft office is still 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 generic name for the slides.

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

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

This is not question about Microsoft Word or Google Docs - it is about offline or online tools, their benefits and money savings. All offline tools you need to install, update it regularly and in general, pay it (as for Ms Word, for example). So, why you are doing that if there are free, non installable, no maintenance online alternatives?

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

Software as service (Saas)

This title is maybe daunting but simply denotes some piece of software, that someone else build it and you can use it using your browser. This software can be your everyday tool - from accounting, design, customer relationship management or .gaming. It is important to know it has attached business model. It means, payable on the monthly basis but in general, every provider offers free version for the basic version of the software. For the smart entrepreneur, you can set up the complete office with the some versions of these softwares for free.

It is not just what you need for the organisation of your daily tasks. Cloud based solutions gives you opportunity to offer your services or products to the world easier than ever.
- If you need basic WEB site, you can prepare it alone without any technical skills in a afternoon based on 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 few years ago seems to be impossible for entrepreneur, now can be done fairly easy.

● You can offer your products (or even services) on big online shopping schemes - like eBay or Amazon. Here you do not need to think about how to set up the online shop and how to process payments - you just need to focus on your product. These providers also offer different analysis tools to see prices on similar products and where are sold, but you need to remember that you will be amidst the fierce competition. The good point is that is not costing you a lot to test and try but still time a lot of time and patient to be found and recognised. How to setup a online shop on Amazon you can find in this article.

Business organisation

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

● Organisation of the work for your group: it is important to know that organisation tasks for the whole team and communicate it to them, especially if you are sitting in different office, is not easy task. Time of old emails and spreadsheets passed and there is a plenty of tools which demystify coping with all informations. You can use Trello, Airtable or Yalla.
● Workflow management - organise processes you have in the business: Probably we never heard about them but these are perfect tools to organize your work. If you have, for example, a regular process to prepare documentation for your accountant, you can set all steps for the process and then put it in motion. Involved people in the process does not need to know the complete process - they just get the task, perform it, add files and click "Done". The process automation software will store info and send it to the next person in the process. Using that, you have complete overview where you are in the process, what is due deadlines and perform analysis. You can use Pipefy, Elegantt for Trello or Process.
● Customer data is probably your most important asset. Dealing with the customers, organization of the product selling and have all the sells 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

④ Idea generation and testing of the idea

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

For creating ideas you need "inspiration". The inspiration can be a problem that appeared while working, a product for which you find a new utilization 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 can appear in different departments or processes, such as Human Resources, Production, Selling, Marketing, Finance, Development etc. Some problems/ developments can be solved/ introduced on the spot but others need a more elaborated process to get to the suitable solution and proper implementation. Sometimes the solutions are the inspiration for new business idea.

If you implement the learning organisation and use the ideas generated by the own employees for developing the business, you company will scale up (take example from Toyota, Asus, Ikea). The employees can generate good ideas because they are dealing day by day with problems, and not always the revolutionary ideas make the difference but the apparent ones. For these businesses it is important how they structure the reward system for the employees generating ideas because it was observed that not the pecuniary reward were the most motivating ones[1].

Involving the employees group in generating ideas has the following advantages[2]:
- the group activity is stimulating, generating contagious behaviour and competitive endeavour; getting the right solution is facilitated by the issuance of multiple and varied assumptions (D. Ausubel, 1981)
- the subjects working in the team are able to apply and synthesize knowledge in various and complex ways
- stimulates and develops complex cognitive capacities (divergent thinking, critical thinking, lateral thinking - the ability to look and study things in another way to relax thinking control);
- allows division of tasks and responsibilities into much more parts easy to achieve
- the problem solving time is often shorter in the case of group work than when trying to find solutions by yourself

Different authors described techniques for generating ideas. You can find here 2 techniques:

1. Brainstorming.

The rules you have to use in a brainstorming session are:
- Have a group of 3-4 persons
- The discussions will last for 10-15 minutes
- No one will criticize the ideas generated

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- Generate as much ideas you can
- Say the first word/ idea that comes into your mind
- Use the ideas of the others as a starting point for new ones.

Someone will register the ideas and, after the session, the ideas are evaluated and prioritised. The best ideas are emphasized and developed.

2. SCAMPER

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

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 bellow) for each of the 7 steps, answer to the questions (you, your team), filter the answers in 3 categories: "useful", "somewhat useful" and "not useful". Develop the "useful" ideas but do not forget, from time to time to look also to the "somewhat useful".

S	Substitute	Which materials or resources can be changed in order to improve the product? Which other product can be used? Which parts can be replaced? Does the product have different possible applications?
C	Combine	What would happen if the product is combined with another product? Would that lead to a new end product? Can the product also be used for another purpose? With what can the product be combined in order to maximise its use?
A	Adapt	Can this product be adapted to another use? In which different context can the product be placed? How can the product be adapted to make it function even better?
M	Modify/ Magnify	How could the shape or appearance of the product be changed? What can be added to the product? What could be emphasised about the product to add value? Which part of the product can be changed in order to create something new?

P	Purpose	Can the product be used for a different purpose? Who else could use this product? How would the product behave in a different context? Can the product's waste be reused or recycled?
E	Eliminate/ Minify	How would the product look if we were to simplify it? What features and/or components can be left out? How can the product be made smaller, faster or lighter? What would happen if we remove part of the product?
R	Rearrange/ Reverse	What would happen if the product is reversed? What would happen if parts of the product are assembled in a different order?

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

These are only 2 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 according to the role;   "6 steps"(R. A. Black) – you have to define the problem, take a piece of paper and write 12 different ways of solving the problem, hide the paper and for 1 hour do something else; take another piece of paper and write 12 different ways of solving 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/

PIA- How to test the business idea

Before you make any life-altering changes that can't easily be undone, take some time to first 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.
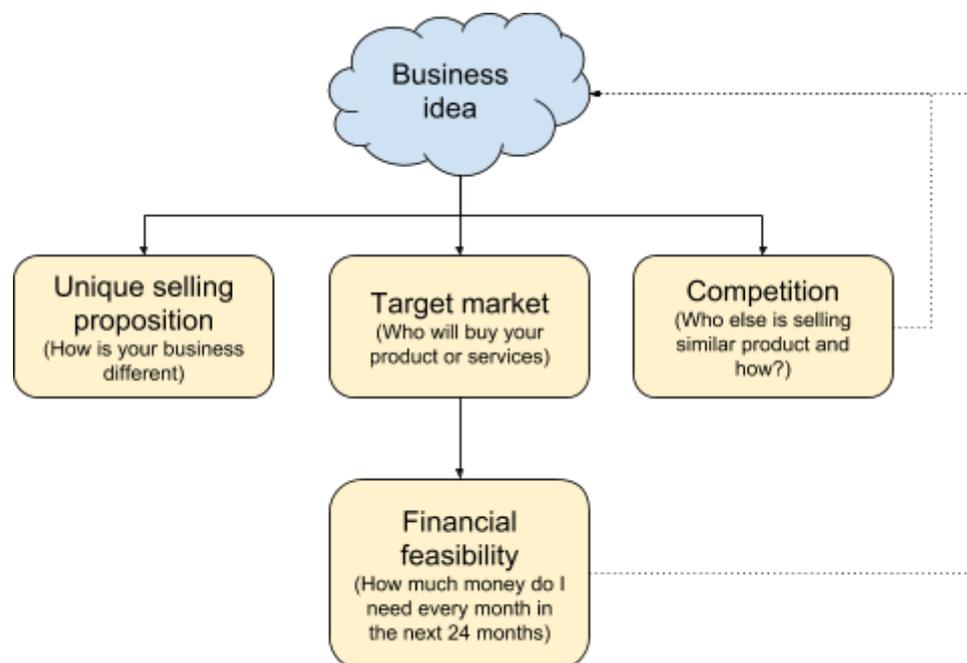
Unique selling proposition

The Entrepreneur.com encyclopedia defines a 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 get started. They want to do everything well, and they want to be known for 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**](www.conversionEngine.co)

A unique selling proposition is a game between your buyer and you. If we imagine you as somebody in the water and your buyer as somebody on the shore, you will be probably

in the crowd of swimmers. How your buyer will distinguish you from the crowd? You will have better chances if you will have different swimming cap, maybe you will be the only one who does not need inflatable swimming ring, maybe you will carry a present for him?

If you want to stand out, i.e. if you want to "have a unique selling proposition," your business needs to stand for something - this is what you will become known for. It's impossible to stand for everything. Even if you pull this off for your first sell you will not have energy for doing this on a long run.

We can study Starbucks as a great example on unique selling propositions. They went from a small coffee shop in Washington to one of the most recognized brands in the world. They did it with, you've guessed it, the development of a unique selling proposition.

Starbuck don't stand for premium coffee beverages AND the lowest prices. If they did, they wouldn't stand out from corner gas stations. Because they take a stand to provide premium coffee and free space were to read or have a wonderful conversation, without being asked if "you want something else", they stand out from the corner gas stations that sell cups of coffee for 1 Euro. If they instead tried to compete head-to-head with gas stations on price, quality would suffer, and their product wouldn't be unique. They wouldn't be able to stand for premium coffee. And it is true - while we love their coffee we know, that we will spend much more on their products.

Or, the famous Domino's Pizza slogan - *"You get fresh, hot pizza delivered to your door in 30 minutes or less or it's free"* is telling you exactly why you should buy from them and their uniqueness is in the fact that you know that you are risk free when order the pizza. Buyer love that.

Identify a Target Market

The next important step of testing a business idea is defining who will be buying your product or service. The easiest way is to imagine who will be first to bite on your unique selling proposition. Who's problem you will be solving? Consider factors such as age, gender, education level, income, and 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 very clear idea of who are you selling it to.

For example, if you having business idea of renewing bathrooms - you need to define, who are your main customers. If you will start with unique selling propositions that *before renewing you will be providing free 3D model of new bathroom*, you can more easily define your customer. Probably this will be younger people with access to the internet, who likes new designs and are refurbishing old flats or houses. With this in mind, the promotion, pricing, and distribution of your products and/or services is 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 who they really are. Then, you can decide if it makes sense to launch your business to a segment of your market to gauge response before committing fully to your business idea.

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Identification of market size is not an easy task and needs to be identified regularly because of the 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 on your competition. The reason why we are talking about it again here is because 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 target market if you don't know what your competition is doing and on what segment of the market. Also, you cannot create valuable unique selling proposition if you don't know to whom you are selling. This connection require few iteration of definition of all three segments before truly fits into your business idea.

Financial feasibility of your startup

When you know the size of the market and who your competition is, is time to see if, from the financial perspective, your idea is worth developing, if it will sustain after some time, how much profit you can expect. 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 if your business 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 raising prices, cutting costs or rethinking your model. On the other hand, if your income surpasses your projections, then you may need to hire employees, expand your facility or seek financing sooner than you expected.

In easy words, this process will answer you questions like this:

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

To answer this, you will need those three plans: 1) *financial model, 2) sales forecast and 3) the definition of the expenses*.

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

For example, AirB&B in 2007, on their money rising pitch defines that they will take 10% of commission on every sell they will make. 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? Less complicated will be the financial model, less hassle you will have when you will be trying to see the sales forecast in the next step. 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) A sales forecast needs two previously defined numbers - 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) An expense budget. Include both fixed costs (e.g. rent for your location) 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 plan to purchase, but you do need general figures.

Now you can see at your business from totally different perspective. Maybe you are clear now that you need to start right away but 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 of them, how we can expand the business? Or, what if we cannot get them?

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 a overhead of 20%. You need also to calculate the cost of sales - do you need a car to deliver products or you will ship it? Need a material for making your product or you are software developer? From that you can calculate minimum amount of money you 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, in general, your product costs.

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 lost your money.

Final calculation is now easier

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

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

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

⑤ Identifying real market needs and gaps, value proposition

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

Definition of the Value proposition is part of this system and it is valuable tool for every entrepreneur. Template to start using this model is available for download here. With the steps below you can see really fast what customers are doing, what problems they have and how you can make better services and products which will benefit the customer and you as an entrepreneur.
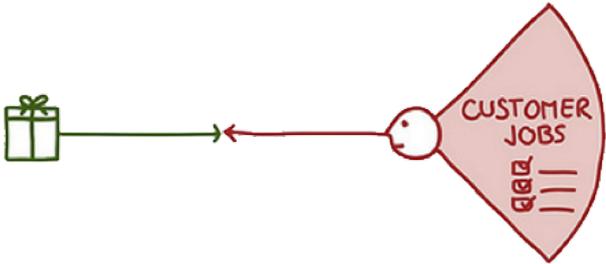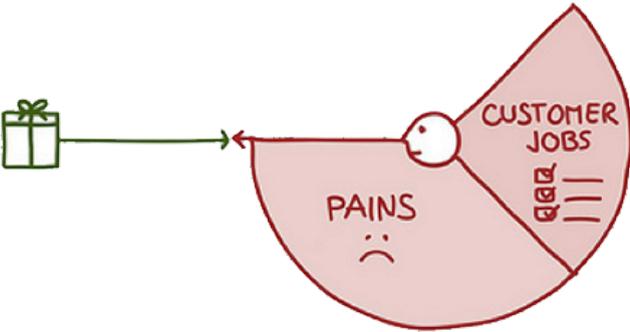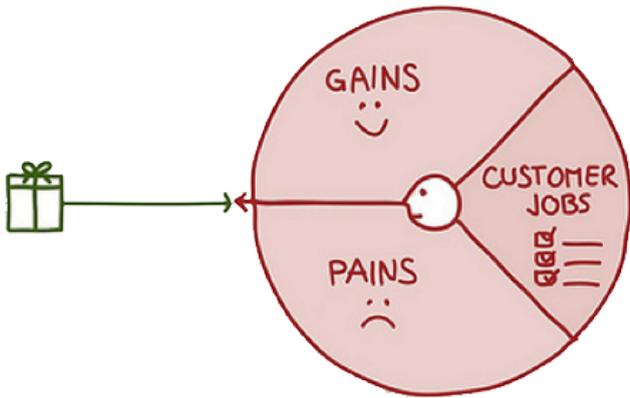
Customer segments

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 profitabilities
- They are willing to pay for different aspects of the offer

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

Customer jobs What is your customer doing? What problems do they solve? Tasks they are trying to complete?	
Customer pains What are negative emotions customer have while doing their jobs? What undesired costs, situations or risks do they face?	
Customer gains What are gains and benefits of your customer with the existing products and services they are working? Why they love existing products?	

Product and services Here you list all the products and services which your value proposition is build around. This includes for example the services that you offer or the help the customer receives either a functional, social, or emotional.	
Pain relievers In this box you list everything what you product or service now allow to the customer, e.g. produce savings, kill frustrations, annoyances, things that give customers a headache, give better performance, better quality?	
Gain Creators In this box you describe how your product creates customer gain, how it offers an added value to your customer.	
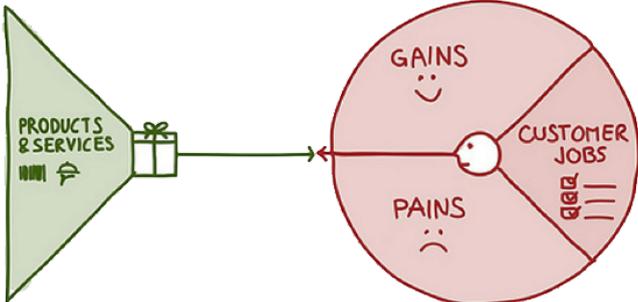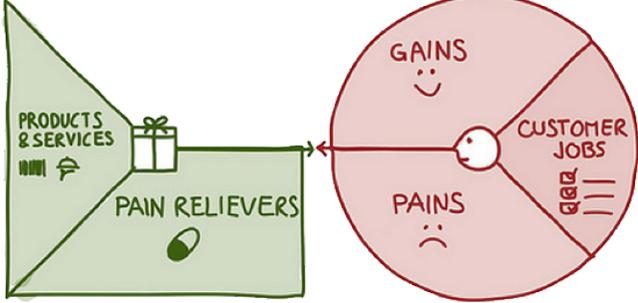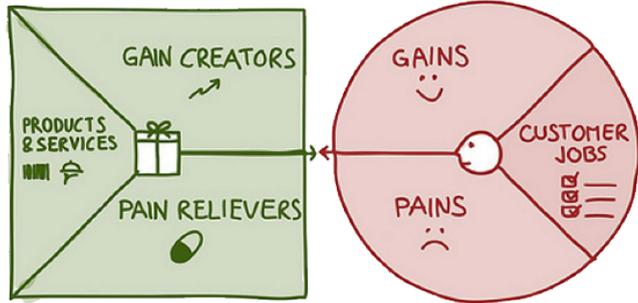
Based on these description, you can now define good value proposition. According to the article of "Marketing experiments", the proposition needs to have the following properties:

- Clarity! It's easy to understand.
- It communicates the concrete results a customer will get from purchasing 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 the research how people recognize the 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 following video: https://www.impactbnd.com/blog/value-proposition-examples

Additional information on developing a value proposition can be found in ch. 10.

⑥ Building a team, organizational behavior, growth aspects

BUILDING a TEAM, ORGANIZATIONAL BEHAVIOUR

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 task of managers to ensure that they have selected the most appropriate people, instruct them and provide them the support they need to perform. Generally, all managers want their staff to be able to act as a team when 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, able to work with their colleges, able to assume and focus on clear goals. Thus, the ability to work in a team's staff is seen as a necessary and a mandatory condition for performance.

Why 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 positive interaction between group members, the satisfaction of the work done together is higher than in individual cases.

- Group members learn to take responsibility for their work, more than they do in general, because they now see job results directly.

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

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Managers need to be aware that they are the main responsible 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 / life cycles (orientation, determination, performance, etc.) and that these phases resume (on a smaller scale though) whenever a new member comes to 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,** the manager / coordinator must support the team as follows:

- *Establish clear objectives and priorities* for the team and get the members' commitment to them; in order to achieve adhesion and recognition of goals, managers need to involve team members in goal setting.

- *Establish the number and quality of team members*; as a team has a larger number of members, the harder the participation and equal involvement of all members is. Under these circumstances, the level of responsibility of the members' decreases and the manager must adopt a more authoritative style of leadership. Groups bigger 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 training and experience of each member and encouraging them to cooperate with each other. In managing relationships between members, managers must remember that each team member has a certain status (a position recognized by others) that he has acquired in terms of education, experience, title, age, sex, etc. and they plays a role. People want to defend their status and take advantage of it for playing the role as they understand it; so conflicts can arise about how members of the team perceive their status and roles. People with the highest status have considerable influence over others and play an essential role in assuming and achieving tasks. 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 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 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 work is beyond what the group has agreed on informally, the group can put psychological and physical pressure on those who go beyond the norm, going to 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 the difficulties.

Stage of team development	The type of suitable leadership
Orientation 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 are anxious because they do not know each other and do not know what to expect from this collaboration. In this phase the team has limited competencies, it can not solve the problem for which it was created.	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
Dissatisfaction It is the stage in which members of the group ask themselves questions such as: Why am I a member? What will the team do? Do I do what other people expect from me? Although the group is starting to perform, the moral state of the members may fluctuate from doubt to confidence and productivity is rather low.	Advisory style because the manager needs to help members understand their role within the team; the manager must be careful to create conditions so that team members have the opportunity to meet their social recognition needs within the group structure

Determination It is a phase in which the team develops and increases its productivity, the satisfaction of group members increases with increasing productivity. They learned to work together and accepted the group's rules. The group's dynamics make it felt to increase the commitment of members to the group's norms and objectives.	Participatory style because the manager needs to intervene to resolve conflicts among members, to keep focus and to increase group cohesion
Productive It is a phase characterized by high commitment and high competence. The group has a solid structure and performs to the fullest.	Laissez faire because the manager must let them perform and get involved only when there is a conflict.
Termination It is a 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 is specific not only to human nature but also to business. Growth is attractive for businesses because it means that the business is more valuable (in terms of revenue, capitalization and profitability). For the companies growth brings some advantages, such as:

- *economies of scales*, by operational cost optimization (meaning that unit fixed costs are decreasing when sales increase)
- *higher opportunity to influence the good way of business*, due to the fact that more resources are available for the entrepreneur
- *greater attractiveness* for suppliers because they prefer to work with large customers than with smaller ones
- *more credibility* for the stakeholders (usually employees are proud 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**. That means that enterprises are prepared to confront future risks, anticipating changes and adapting in time and flexibly to it (increasing its innovation capacity).

This also suppose that entire personnel is dedicated to continuous development of competencies and knowledge and employees suggestions are taking into considerations in decision making process related to operational activities.

Intensive growth implies the increasing of efficiency of company activity, respectively obtaining the most results from the least amount of effort and risk, maximizing the ratio between effects and efforts: max. (effect/ effort)

One of the key factors for improving companies competitivity is work productivity, that means to create more added value with an efficient utilization of the resources available. The increase in work productivity is possible with investment in technology and development of personnel competences and abilities, using more intelligent working methods.

How can company growth? 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 for growth strategy:

MARKET PENETRATION that could be done by:

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

PRODUCT DEVELOPMENT that could be done by:

- adding new/ additional characteristics, improving existing features
- extending product line (on width or depth)
- developing new generations of the product
- introducing new products (for the company) on actual market, compatible 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 opening stores for their products)

Advantages of vertical integration includes: gaining operational savings, direct access to offer/ request, better control of offer/ request, stimulating technological innovation.

On the other way there have to be consider also the disadvantages of vertical integration: risks associated to new business administration, reducing flexibility, additional operational costs, mole cost.

DIVERSIFICATION – entering different markets than current market of the company. There are 2 possibilities 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 advantage is that it allows the transfer of know – how or capacity to new activity/ 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 / collaborators in the following ways: shared distribution, technology transfer, cross – manufacturing etc.

Among the benefits of partnership it could be included the following: larger resources, diverse skills and expertise available for the partners, sharing risks, 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.merig.eu/index.php?id=29
https://www.cleverism.com/7-business-growth-strategies-for-small-businesses/

⑦ SWOT Analysis

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

Description

SWOT Analysis (analysis of **S**trenghts, **W**eaknesses, **O**pportunities and **T**hreats) consist in identification of *strengths and weaknesses* of the company, which are related to internal factors, respectively identification of *opportunities and threats* for the company, which are related to external factors.

Also the SWOT Analysis can be used for developing new businesses, based on the existing one or that will expand the existing one.

Main phases of SWOT analysis in case of the company includes:

- identification of main strengths and weaknesses of the company, compared with competitors
- identification of present and future opportunities and threats/ risks for the company
- identification of critical aspects: does strengths helps to capitalization of opportunities and lock of threats?; does weaknesses lock/ brakes the capitalization of opportunities?
- defining of success factors (+) that represent key aspects for company strategy related to the development of the company
- The results of SWOT analysis allow the identification of opportunities and critical points for the company. The company should develop based on capitalization of strengths and opportunities, try to eliminate/attenuate weaknesses and be insured against threats.

Supporting evidence and practices

For understanding better, please find below an example of factors included in SWOT analysis for a Tourism company:

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

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

		OPPORTUNITIES			THREATS		
		1 …	2 …	3 …	1 …	2 …	3 …
STRENGHTS	1. …		X				
	2. …						

				X			
WEAKNESSES	1. …					X	
	2. …						
	3. …						

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

Strategy S-O has in view to capitalize the opportunities that are related to 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 through the company can use 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

⑧ Business Model Canvas - Lean start-up methodology

Two main paradigms are used in developing businesses in recent years: ideas that any every actual or would be 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 Pigeur, 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 the focus, not the technology, learning fast and learning from customer feedback are quite a contrast to old school business creation where founders focused on how they learned their trade and what they thought would be the right way to do it and planning was thought 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 hypothesize, 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 start up" 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 big risk for new businesses is that they invest a lot of resources into untested business models (production facilities, human resources, advertisement 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 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 potential 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 economic 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 relevant impact on the results. E.g. views of a website may be a good prerequisite for other success, but views 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 businesses 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 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.
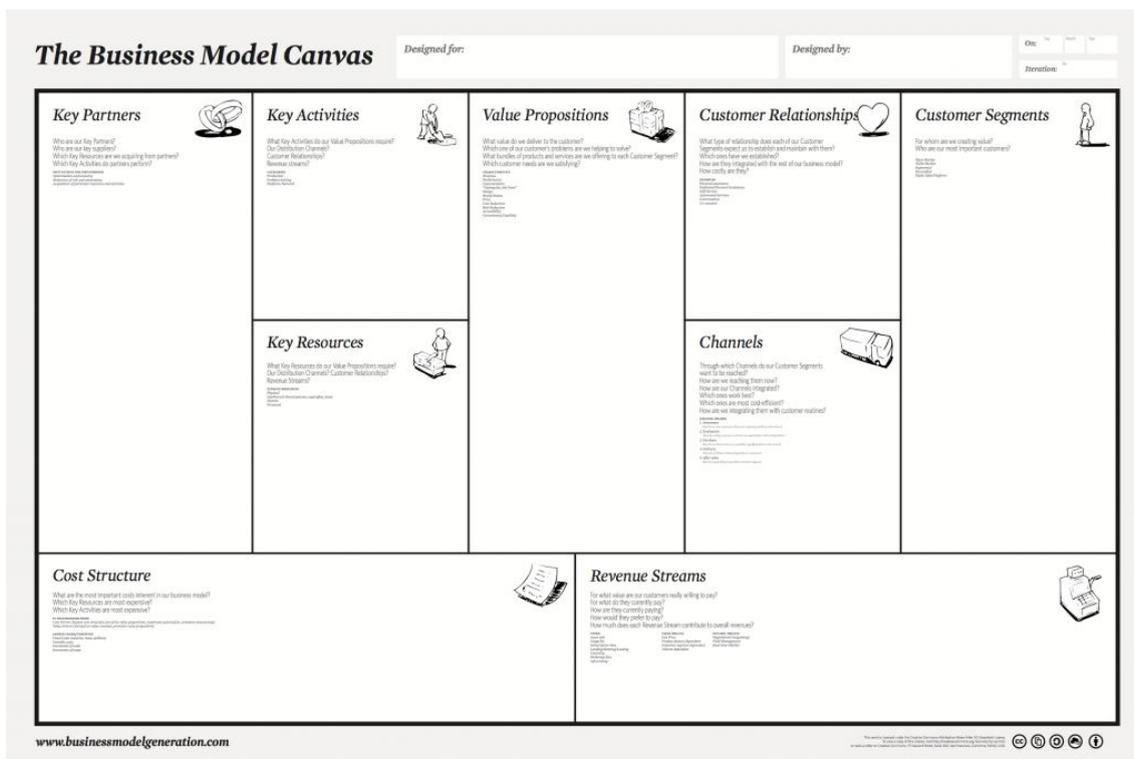
By using the BSC you as a founder will be able to think about the elements of your Business Model in a more systematic, yet playful way. Working with the BMC will allow you to „experiment in mind", to discuss with partners and colleagues and to develop multiple alternatives before you invest heavily 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 important 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)

We will briefly explain each of these components.

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 certain group of potential customers. It looks for people who might actually need their product, for which the product has high value, so they are prepared 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. E.g. almost everyone uses

Google, while the actual customers are only the advertisers, as only these pay Google. So each founder hast to ask himself: who can be my 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 real people feel. 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 your channels. The effectiveness and efficiency of these channels can be very important for your profitability.

Customer Relationships

How will be the relationships with your customers? 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 onetime 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 value

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 value most effectively and most efficiently!

Cost Structure

Key Activities, partnerships and resources all translate to costs. Any business has to keep costs in mind and monitored. Which you cannot do without? Which can be lowered? 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 Pigeur: Business Modell 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/

⑨ Marketing and commercialization plan

Marketing plan should provide a clear and concise description of the market potential of the proposed work and the planned path to commercialization.

It outlines the strategy that the organization 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 key 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 to 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 commercialization plan integrates with the company's overall business plan.

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.

5 C's	
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 "Commercialization Plan" we have to consider 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 marketing channel is the set of mechanisms or networks from which a company takes their product to market with its customers for a variety of tasks.

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 actually 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

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.dardenlentz.com
- http://www.marketingplansbook.com/ex/c02_EX.pdf

⑩ Funding opportunities from the EU

FUNDING OPPORTUNITIES FROM EU _ ROMANIA

In Romania funding opportunities from EU non-reimbursable programmes are related mainly to Operational Programmes and National Programme for Rural Development, implemented during 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 competitivity, 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 economical 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 competitivity 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 changes, 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, 4. Increasing the employment rate and enhancing the territorial cohesion, 5. Stimulating sale and processing, 6. Encouraging the implementation of PMI.

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/detaliu.aspx?t=pfcatalog**

On 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.

Annex - exercices

9 - Marketing and commercialization plan

Exercise 1

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.

Exercise 1 - The marketing planning process questionnaire 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 apllicab
Section 1				
Corporate issues				
1. Is there a corporate statement about:				
(i) The nature of the company's current busi mission?				
(ii) Its vision of the future?				

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2. Is there a target figure for ROI?				
3. Is there a corporate plan to channel company resources to this end?				
4. Are there defined business boundarie 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 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 ma potential and past performance?				
6. Will the plan close the 'gap' if carried out?				
7. Is there a marketing plan by product/servi				
8. Do relevant managers have a copy of marketing plan?				

9. Are the following factors monitored regular and conscious way, in terms of how affect the company's business prospects?				
Section 3				
SWOT analyses 1. Is there someone (individual or gr responsible for converting the analysis of fac in Section 2 into a summary which highlights (a) The company's principal strengths? (b) The company's principal weaknesses terms of relating to external opportunit threats)?				
2. Does this person(s) have access to necessary information?				
3. Is this person(s) suffi ciently senior for h her analysis to make an impact?				
4. Is the organizational climate such that a and accurate analysis is seen as a striving improvement rather than an attack on spec departments or vested interests?				
Section 4				

Assumptions				
1. Is there a set of assumptions around w the marketing plan is formulated?				
2. Are these assumptions made explicit to se company personnel?				
3. Do they cover:				
(a) The business environment?				
(b) The market?				
(c) The competitors?				
(d) The industry?				
4. Are the assumptions valid in the ligh current and predicted trading situations?				
Section 5				
Marketing objectives/strategies				
1. Are the marketing objectives clearly st and consistent with the corporate objectives				
2. Are there clear strategies for achieving stated marketing objectives?				

3. Are sufficient resources made available?				
4. Are all responsibilities and authority cle made known?				
Section 6				
Monitoring evaluation **1. Is the planning system well conceived effective?**				
2. Do control mechanisms exist to en planned objectives are met?				
3. Do internal communications func effectively?				
4. Are there any problems between marke and other corporate functions?				
5. Are people clear about their role in planning process?				
6. Is there a procedure for dealing nonachievement of objectives?				
7. Is there evidence that this reduces the ch of subsequent failure?				
8. Are there still unexploited opportunities?				

9. Are there still organizational weaknesses?				
10. Are the assumptions upon which the was based valid?				
11. Are there contingency plans in the ever objectives not being met/conditions changin				

Scoring and interpretation for Exercise

1. Add up how many ticks were listed under 'not applicable'. It is our experience that 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 fi ndings 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.

Conclusions

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