

## START UP YOUR IDEA

## **GUIDELINES AND** TRAINING MATERIALS







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## Start-up Your Idea.

Nurturing Entrepreneurship in Poland, Slovakia and the Czech Republic.

#### INTRODUCTION

These guidelines were created as part of the "Start up your idea! Nurturing Entrepreneurship in Poland, Slovakia and the Czech Republic" Erasmus+ project. The guidelines summarize the experience of trainers from four implemented camps, including training aimed at business support. The training sessions provided participants with a comprehensive set of information and exercises to gain knowledge and acquire the necessary skills to start and develop their own business.

The guidelines are intended for future trainers of similar training programs and will thus make use of the existing experience and know-how of trainers involved in the project. The experience of the project trainers with the delivery of the training is summarized in the following recommendations.

The recommendations are based on the results of focus groups with trainers after each program and are thus based on the questionnaires sent to them after the program's completion.

Tips relate both to the actual content of the training program for the promotion of entrepreneurship with its specifics, and to the methods and principles used to work with a group of trainees including the multicultural aspects of the training. The training took place in a multicultural environment due to the fact that the project was attended by participants from three countries:Poland, Slovakia, the Czech Republic. At the same time, participants were non-native to the countries in which they were questioned.

The trainers thus had the opportunity to gain extraordinary experience in teaching within a multicultural environment.

Teaching in a multicultural environment places new demands on lecturers in terms of respecting cultural differences when conducting training. It requires a high sensitivity to different cultures as well as the acquisition of intercultural skills. Therefore, a separate section of these guidelines is devoted to intercultural issues.

These guidelines summarize best practices from the implemented project in the field of training for business support and make these best practices available to future trainers.

#### **GUIDELINES WILL COVER**

- the methodology of conducting training on entrepreneurship as such and
- the issues of working with participants with various backgrounds and in diverse and multicultural teams









#### **Tips/recommendations**

#### Designing a training program

- Link the training to the expectations and ideas that the participants come up with, customize the training to the individual needs of the participants
- Combine learning with play, use the potential of games for learning, and support enjoyable forms of learning.
- You may also implement flipped learning. It is effective, especially with more difficult and demanding learning material (e.g. financing, legal issues).
- Include video spots in the training sessions. Take advantage of the availability of youtube and other online tools (canvas model, elevator pitch and others).
- Set aside enough time for individual consultations within the training.

#### Conducting an effective training session

- Use short team exercises and tasks to foster a spirit of collaboration and creativity.
- Refresh the theoretical sections of the program with short practical examples, ask questions and ask participants to share their own experiences to maintain and heighten their attention.
- Include homework as part of each session to motivate participants to really think about the lessons learned. It will allow participants to think more deeply about the topic and better understand it. In any case, homework should be defined precisely, with a clear task to do (e.g. answering some questions, preparing a 5-7 slides-long presentation or a 2min. video etc.)
- At the beginning of each session, set aside time for a short homework check.

  Note: Reviewing homework should (ideally) be a group activity. The number of participants and the complexity of the homework must be taken into account when assigning the homework (a smaller number of participants can provide an opportunity for more topic deep-dives and brainstorming, while bigger groups will be more time restrictive)
- Use group learning processes and experience sharing. Familiarize participants with the benefits
  of sharing experiences and group brainstorming, and encourage them to utilize it.
- Emphasize more general principles on how to grasp a problem and approach a solution, and encourage participants with practical examples.
- Familiarize participants with the differences between knowledge and skills (soft and hard). Illustrate these differences, and demonstrate (with real examples) how much difference the development of skills can make in life and in business.









#### Promoting entrepreneurship

- Support participants with their start-up idea as well as its development. Provide them with information regarding business realities and help them to overcome the "leap from a dream to a real business". Accompany them on this journey "from idea to business".
- Give them an overview of the information needed to launch their start-up, but don't overload them with information. Continuously verify what information they need.
- Gently support participants in the process of making decisions about starting a business, give them a broader view of their decision-making process. Give them the opportunity to realize what they will need for their business (knowledge, skills).
- Provide the participants with the good examples and best practices of successful entrepreneurs, but do not forget about delivering examples of failure as well. Someone's success may be motivating to one and intimidating to another. Pay attention to presenting the most realistic picture possible gains and losses and ups and downs are an integral part of doing business.



Sometimes you win, sometimes you learn

- John C. Maxwell

• Offer participants the possibility to consult trainers even after the training has finished. This will give them a sense that starting a successful business is a process. Available trainers will make them feel supported and motivated to move forward with developing and implementing their ideas even after the training ends.





## INTERCULTURAL ASPECTS



# Learning and teaching in a culturally diverse background

Intercultural input within the entrepreneur training

Whenever people from different cultures meet at training, they encounter a multicultural learning environment. Learning in a culturally diverse environment invites opportunities to share different experiences, multiple perspectives and insights. It can encourage critical thinking and helps build networks and support. Multicultural learning environments require trustworthy relationships, but different communication patterns can at the same time lead to misunderstanding and mistrust.

What does this mean for the work of trainers? What competencies do the trainers need? There are two overarching considerations:

- 1. Awareness of our own cultural background (worldview)
- 2. Knowledge, skills and other capabilities

Let's first look at how we can understand the concept of culture and its aspects.

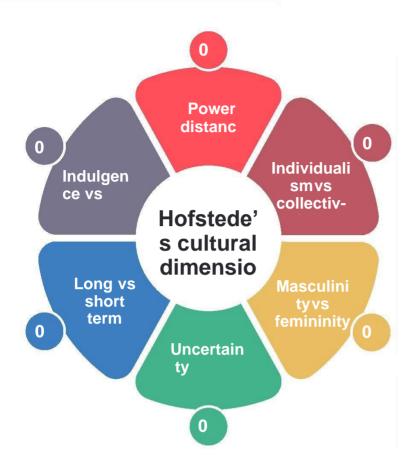
The concept of culture is a very complex one, including different levels and different perspectives. <u>Hofstede's Cultural Dimensions Theory</u> is a framework used to understand the differences in culture across countries. It shows the effects of a society's culture on the values of its members, and it shows how these values relate to behavior.

Hofstede's initial six key dimensions include power distance, uncertainty avoidance, individualism-collectivism, masculinity-femininity, and short vs. long-term orientation. Later researchers added restraint vs. indulgence to this list.









Understanding these potential differences in perception can lead to understanding and the minimizing of conflict between people with different value systems. It can help trainers to adjust their approach in case of misunderstanding caused by cultural or personal differences. For instance, if the trainer assigns a lot of individual tasks to participants who are more used to a collectivist culture, they may feel uneasy and prefer to work in a group rather than independently. Participants with a cultural background of low uncertainty avoidance may have a more relaxed attitude vis-à-vis the trainings' guidelines and instructions, and favor practice rather than rigid codes of behavior.

#### CONCEPT OF WORLDVIEW

A worldview includes assumptions about reality, society and existence. These basic assumptions are taken to be true without question. Worldview determines how people perceive their relationship to the world, nature, institutions, other people, etc. It is the framework through which we interpret reality. Worldview is related to our decisions and our relationships. The way people interpret their everyday livese reflects their personal worldview.

Many people have difficulty understanding their own ideals and values. Differences between the country of origin and the new country of residence with a divergent culture can provide a basis for understanding issues related to different worldviews.

Lecturers working with people from other cultures should self-reflect and understand their own world-view and how it affects their approach to people from different cultures. Both concepts can provide important insights and develop trainers' awareness. The following table, which lists all the phenomena that fall under the concept of "worldview", can be used as a tool for the trainers. They may use it to reflect on their own worldview and in discussions with other people.







Table 1 - Some elements of the four dimensions of worldview (Van Deurzen-Smith, 1988).

Natural world <i>Umwelt</i>	Social world <i>Mitwelt</i>	Private world Eigenwelt	Ideal world <i>Oberwelt</i>
	Relati	on to:	
Food/nutrition rest/sleep health and illness sex sexuality fitness/weakness body ageing physical (cultural) environment nature	ethnic background social class other reference groups gender language country cultural history family work environment authority	self intimate people feelings thoughts character traits ideas aspirations personally meaningful objects time and space	spirituality (holiness, tabu, myths, rites) religiousness ideology philosophy time and space
time and space	law time and space		

#### INTERCULTURAL COMPETENCIES

Lecturers working with people from other cultures should also develop "intercultural competencies". There are many definitions and frameworks available. Most of them have a common element in that they require an understanding and appreciation of one's own culture in order to understand another person's culture. Some definitions underscore the knowledge and skills needed to interact with people from different cultures, while others focus on attitudes.

In order to gain a systematic, in-depth understanding of intercultural effectiveness and the competencies needed to achieve it, it is helpful to use the Competency Framework.

Competencies that are needed for effective intercultural interaction are explained, for example, in the Global People <u>Competency Framework</u> (Spencer-Oatey and Stefanie Stadler, 2009). This framework comprehensively describes four groups of competencies - 8knowledge and ideas, communication, relationships







#### INTERCULTURAL ASPECTS



and personal qualities and dispositions. For each competency the authors give explanations and examples of behavior.

Another <u>Competence Framework</u> (developed by European Training Strategy) describes one intercultural competence, its criteria and indicators. Indicators include different skills, knowledge and attitudes.

Learning intercultural interaction is not easy: we are all culturally based and culturally biased. A change from an ethnocentric worldview to multicultural awareness requires significant attitudinal changes.

In the following table you can find a self-development checklist, which can help you to reflect on your own attitudes and develop more inclusive strategies.

#### Table 2 - 10 Questions to Self-Reflection

- 1. What is my definition of "diversity"?
- 2. What national, cultural, linguistic or religious group(s) do I belong to? How do my teaching practices reflect this?
- 3. What do I know about the cultural, linguistic, religious and educational backgrounds of my students?
- 4. How could I learn more about the diversity of my students?
- 5. What are my perceptions/assumptions of students from diverse cultural groups? Or with language or dialects different from mine? Or with special needs or requirements?
- 6. What are the sources of these perceptions (e.g., friends/relatives, media, stereotypes, past experiences)?
- 7. How do I respond to my students (emotionally, cognitively, and behaviourally), based on these perceptions?
- 8. What experiences do I have as a result of living, studying or working in culturally and linguistically diverse cultures? How can I capitalise on this experience?
- 9. How can I adapt my teaching practices to be more responsive to the unique needs of diverse student groups?
- 10. What other knowledge, skills and resources would help me to teach from a more culturally inclusive perspective?

Based on: Barker M., Frederiks E., Farrelly B. GIHE Good Practice Resource Booklet - Designing Culturally Inclusive Learning and Teaching Environments - Classroom Strategies Creating a Culturally Inclusive Classroom Environment (griffith.edu.au)

Intercultural competencies are skills acquired over time and only with significant emotional and intellectual investment. It is a long process that must be enthusiastically supported, and we have full confidence in our future entrepreneurs, trainers, and trainees to live up to the task.









## Start-up Your Idea.

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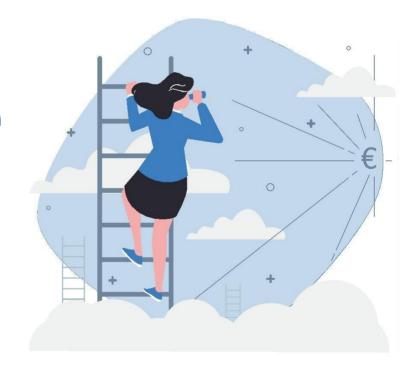
## CAMP 1

# Idea Development and Market Analysis

- 1. Develop your business idea
- 2. Validate the idea
- 3. Analyze the competition
- 4. Analyze the market
- 5. Validate the solution

#### INTRODUCTION

Whether you already have an idea for a business or not, there are necessary and fundamental first steps required to develop your startup. To create a potentially produc-



tive startup, your idea must be innovative, competitive, and practically feasible, or you will not be able to convince your investors and your clients. Ensure that your idea for a product or service is something that people are looking for and willing to buy and that your competitors are not already selling it.









#### 1. Develop your business idea

The starting point is to have at least one business idea. If you still need to find it, you can ask yourself these questions:

- What will the next market trend be? Look for the most promising new technology or innovation and anticipate its use or implementation.
- Can you see a problem that doesn't have a solution yet? Most startups are created to solve a problem that many people have.
- Do you know a company that could improve its service or product? You could bring the change that they are not able to bring.
- Is there something that could be done more efficiently, quickly, or economically?

#### 2. Validate the idea

Now you need to confirm that your idea has the potential to create profit opportunities and become a real company. Before risking your money, you need to understand if your idea is worth the investment.

Focus on the needs of your potential clients. You might have a great idea, but what if no one needs it because it is too complex, expensive, or impractical. Do consumers need your product? What suggestions can they make to improve it?

First, validate the client-problem issue: the Javelin Board allows us to analyze in detail the client, the problem, and a first draft of solution.

The Javelin Board is an instrument you can use to listen to the market, acknowledge feedback, and move accordingly. Through this instrument, you can discover aspects of the problem that were not initially taken into consideration and you can then upgrade the final product based on the real needs of the market.

The Javelin Board consists of the following components:

- Client
- Problem
- Risky assumptions
- Solution
- Success criteria

Each of these aspects allow for conclusions to be drawn about the future of your idea.







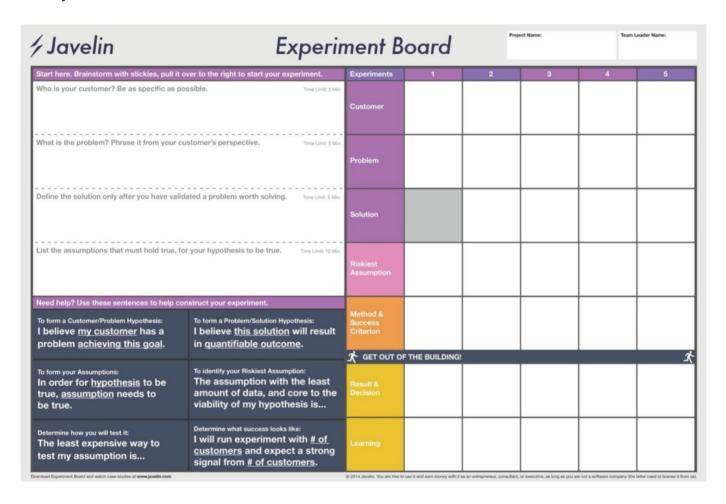




An important passage when analyzing your potential client is to have an idea of their habits and purchase preferences. For example:

- Needs What do they really want? What are they looking for?
- Fears What are they afraid of?
- Negative aspects What can they not stand?
- Positive aspects What makes them happy?
- Dreams and hopes What do they want to achieve? What are their targets?

According to these elements, you can better understand what your product needs to have and what would scare your clients.



Source: www.javelin.com







#### **CAMP**



Next, you will need questionnaires and interviews with potential clients to verify if the identified problem is a real problem for your target. Possible questions include:

- Have you ever found yourself in this situation?
- How do you feel when facing this problem?
- How have you tried to solve it?
- Which solutions have you tried? Were you satisfied?

Remember to focus on the person's problem and need as well as how much they feel it and how they react in front of it. But do not ask if they would buy your product because they can give you misleading answers and you want to develop the most accurate picture during this phase.

The Mom Test: https://www.youtube.com/watch?v=Hla1jzhan78

The idea here is that you should never ask your mother (or anyone close to you) if your idea is a good one: she will just say yes because she loves you, but you will never know if she really needs what you are proposing. The Mom Test has the goal of conducting conversations that solicit honest and sincere feedback from a person that you are confident with - and if you can have such conversations with them, you can have them with anybody.

### 3. Analyze the competition

Every startup, including the most innovative ones, has competition. Even if your product or service is very innovative or incomparable, it does not mean that there are no solutions that already answer the same problem. You must know who your competitors are and what their sales and marketing strategies are.

#### 3.1. Individuate your competitors

There are direct and indirect competitors:

- Direct competitors offer a similar product to yours;
- Indirect competitors offer a different product that satisfies the same needs or solves the same problems.











#### 3.2. Collect data

Pay attention to:

- What is the product or service being sold? What is the price? How do they produce and distribute it?
- What is their sale strategy? Is it online or offline? Do they have partners? Are they growing?
- Do they use specific marketing strategies or tools (e.g., blogs, guides, podcasts, etc.)?
- Are they active on social media? Where did they find funding to develop their product?

#### 3.3. Analyze what you have collected

Different frameworks can be used to organize the data collected on your competitors:

BENCHMARCH TABLE

Focuses on the most relevant features (e.g., product, prices, technology, company, funding, profits, and marketing, among others)

FEATURE	IMPORTANCE	YOUR BRAND	COMPETITOR 1	COMPETITOR 2
Feature 1	High			
Feature 2	High			
Feature 3	High			
Feature 4	High			
Feature 5	High			
Feature 6	High			
Feature 7	Moderate			
Feature 8	Moderate			
Feature 9	Moderate			
Feature 10	Low			







#### CARTESIAN PLANE

This tool is useful to help you divide the competition according to highest and lowest price, highest and lowest quality, exclusive or mass consumption, or traditional or modern, among others. The following is an example from Airbnb's pitch:



#### 4. Analyze the market

Next, you need to analyze the market dimension in which you want to operate. According to the share of the market you want to cover, you must also refer to the growth of your startup. Remember: your business idea has potential if there is someone that needs your solution, if there is a large potential market, and if competitors are not well positioned.

A useful method is the TAM SAM SOM

- TAM = Total Addressable Market: the total market demand for a given product/service. A larger market means greater opportunities to be served, but also greater competition.
- SAM = Served Available Market: the segment of the TAM targeted by your products and services which is within your reach (in terms of geography and budget, among others).
- SOM = Serviceable and Obtainable Market: the share of the market that can realistically be reached by your startup (the portion of the SAM that you can capture).

Research tips: do not focus only on the research that has been conducted by others; spend time conducting your own research and look for data; do not only use online resources.



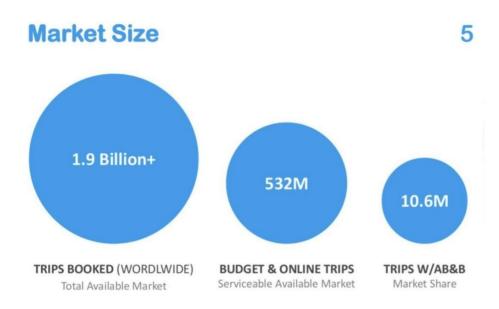






#### AIRBNB STUDY CASE

This is a slide from the market analysis that the startup Airbnb presented to potential investors:



The TAM (here in units) includes almost 2 billion trips, i.e., all bookings at a global level. Because Airbnb specializes in online bookings with a low budget, its SAM decreases to 532 million. Finally, the SOM represents the share of the market that, according to estimates, Airbnb can reach: this is how we arrive at the 10.6 million expected bookings.

#### 5. Validate the solution

Once you have established that the problem is real to many people, you need to validate whether your solution is the most functional for their needs.

#### 5.1. Minimum Viable Product

You can create a first functional version of the product (MVP) with basic features that can be modified and improved according to feedback and new ideas.

Having a concretely developed product is useful to study what can be improved (and in which ways). This can also be done with the help of investors or potential clients. The MVP does not require a substantial monetary or time and energy investment, because you need to be able to freely change your idea or modify the product in the future without losing too much.







#### 5.2. Smoke Test

The Smoke Test is helpful to validate your solution: it is a simple website where you explain your product or service. The objective is to collect as many "subscriptions" to the project as possible.

The more contacts you collect with the Smoke Test, the higher is the user involvement and the more your solution can be validated.

These contacts will be the early adopters, i.e., the ones that could become your first clients and users. It is important to listen to what they have to say and consider their contributions to the idea, to improve it and create appreciation for the product or service.

#### 5.3. Modify the idea if needed

If the solution turns out to be not effective, you may need to partially change your idea or its implementation. Because you have not invested a substantial amount of money yet, you are able to change your proposal, your target, or your hypothesis.

According to the feedback you have collected, you can improve your prototype to develop the best version of the product or service over time.

Moreover, in this way, you are optimizing the business model and minimizing your business risk.

While analyzing the feedback, remember to:

- not become attached to your initial idea
- listen to and carefully analyze every opinion
- look for patterns









## **SCENARIO**



Nurturing Entrepreneurship in Poland,

Slovakia and the Czech Republic.

## CAMP 1 DAY 2

#### Main goals: Participants...

- know the definition of innovation
- name their customer groups and define their major problem/need
- are familiar with customer-oriented attitude
- know how to get feedback on hypotheses they have concerning client problems and proposed solutions
- recognise their major competitors and their "features"

Estimated total time: 5h **ESTIMATED ACTION MATERIALS** TIME 10 min. Flipchart/presentation 1 Introduction with the schedule Trainers introduce themselves and present the day's schedule. 2 Dialogue cards Integration (whatever you like) 30 min. or other pictures, Exercise in which we get the participants to introduce flipchart, markers themselves, their expectations, etc. We aim to get to know one another and, where possible, seek similarities among the participants.

+ optionally - Drawing a portrait of a partner without looking at the paper, or drawing a portrait of each participant by passing on the piece of paper after drawing just

important facts about my partner),

one part of their face).

Exercise proposals: Answering questions about expectations/motivation using dialogue cards (postcards, pictures, Dixit-type cards etc., introducing a partner (4 most









ACTION	MATERIALS	ESTIMATED TIME
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#### 3 Shoe-shop

The aim is to get the participants familiar with the definition of innovation and encourage them to think in an innovative way about their business.

Description: Participants imagine themselves to be the owners of a shoe shop. In groups, their task is to think what innovation could be brought to their shop, what would make it stand out from the competition. At the end, each group presents their idea.

Conclusion: Trainers sum up the groups' ideas and ask what, in their opinion, is and what is not an innovative solution. Together they come to a definition: innovation is something that brings change and generates profit. It is not enough for a solution to be creative or original if it does not allow the owner to reach a new customer group, or enlarge the existing ones, etc. It also grows and changes constantly. Throughout the project the trainers will encourage the participants to adopt this way of thinking to their businesses.

#### 4 Idea Development. The Javelin Board

*Description:* To avoid spending time on an idea that nobody will want to buy, the trainers introduce the "Javelin board" tool and explain how to use it.

The teams are then asked to fill it in if there is time, they can even leave the building when it comes to obtaining feedback on their hypothesis phase).

Conclusion: Teams might not finish the task entirely, but the main goal is to get familiar with the tool and feel confident while using it. We underline the utility of the tool and the necessity of a customer-oriented attitude, openness to feedback and pivots. Colour paper, markers

60 min.

Javelin boards for each team (poster format)

90 min.









## ACTION MATERIALS ESTIMATED TIME

#### 5 Market analysis. TAM SAM SOM model

Flipchart, markers

60 min.

Description 1: Trainers give a short introduction to the topic, based on day 1's presentation. Next, each team writes their business idea down on a sheet of paper: the target group and the problem/need they have, the product/service. Then they pass this on to the team sitting next to them (clockwise). The receiving team is to think about and write down the TAM SAM SOM for the business idea given on the sheet of paper passed to them. After they finish, they fold the paper to hide what they have written, and pass it to the next team, who do the same. After completing a circle, the sheet of paper returns to its owners.

Conclusion 1: Teams read their colleagues' ideas. Trainers ask each team if anything surprised them, whether there is any customer group they would not have thought about themselves.

Description 2: On the basis of the first part of the exercise, the teams work on a list of their competitors - who are they, what can be found on the internet about them, etc. They gather as much information as possible. At the end, they present their findings.

6 Homework 10 min.

Trainers thank the teams for their work. They also assign homework: participants work further on the Javelin board and verify their ideas of customers' needs/problems by comparing with actual ones (through at least 5 interviews).

In addition they go over the topics for the next session: legal aspects and business plan.





<sup>\*</sup> Although they are not specifically indicated here, please remember about (coffee) breaks, depending on your group's energy level.



## Start-up Your Idea.

Nurturing Entrepreneurship in Poland, Slovakia and the Czech Republic.

## CAMP 2

# Business plan and legal aspects

#### 1. Business plan

#### 2. Legal aspects

#### INTRODUCTION

Once you have validated your idea and solu-tion, you need to plan your startup in mone-tary terms as well as how it will be created andhow it will evolve in the future.

For this reason, the *business plan* is a tool that will help you summarize and present to investors your business idea, your key factors, and your road map.

Moreover, it is especially important to know the legal aspects concerning the creation of a startup, based on the specific require- ments of the country you will be operating in, to avoid the risk of critical mistakes or fines.











#### 1. Business plan

The business plan is a document (usually a presentation) that summarizes how your startup will evolve in time, from its early stages to the creation of the final product. Initially, the business plan will be fairly "rough", but it is important to have a sense of the potential costs and revenues and the amount of money you need to start. Later, it can be updated according to the new objectives and situation of the startup.

It is important to be clear on the objectives you want to reach, your strategy, and your action plan in one, three and five years. Often, a business plan is required by investors and in general in situations where youwant to finance your startup or attract new commercial partners or directors.

The business plan should include (one to three pages each):

- Executive summary a summary of your business plan with a short description of your startup (When was it born? What type of company is it? Where is the head office?), your business (What does it produce? What problem does it solve?), your business model, and your financial plan (financial projections already collected/to be collect).
- Company description a description of what your startup produces or would produce. You must also include your company's mission and vision as well as the problems in the market that your startup is going to solve.
- Product and technology a deeper description of your product and its technology. How is your product different from the competition? Do you have trademarks or patents? How do you imagineyour product's evolution in the future?
- Client-problem analysis demonstrate how much clients want your product. Describe your "buyerpersonas", i.e., your target customer (age and typical behavior, among others).
- Market and competition talk about your target market, analyzing the share of the market your startup can reach and its the future perspectives. Use the TAM SAM SOM analysis. Also, take intoconsideration market trends and show that there is the possibility for the development of this sector in the future. Moreover, display the results of the competition analysis to make investorsunderstand the market you want to enter and your strengths in comparison.
- SWOT analysis talk about your strengths and weaknesses in comparison to the competitionas well as the opportunities and threats you see in your project.
- Marketing plan describe how you want to position your product on the market, what is your pricepolicy, how you will promote and sell it, and how much it will cost to gain new clients.
- Roadmap define a detailed map of your next steps and milestones.
- Team demonstrate you have qualified people on your side. Define their roles and skills and who the key figures and possible advisors are. Explain if and how the organization of human resourceswill change with time.
- Financial economic plan insert the financial strategy, sales forecast, budget, loans and investments, income statement, balance, financial statement, and pre-money evaluation.









#### 2. Legal aspects

You do not need to take care of legal aspects right away, but it is important that you have an idea of whatyou need to know and to check before starting to invest money.

Make sure to check your country's official websites if you need something in particular. In general, these are the legal details to take into consideration:

- Business name of your activity
- Type of company (Sole Proprietorship, Partnership, LLC, etc.)
- Registration of legal entity
- Registration to the Chamber of Commerce
- Registration of VAT number
- Creation of bank account
- Trademarks, copyrights or patents
- Purchase of licenses (if needed)
- Business and employment contracts
- Accounting and bookkeeping systems

Look for a community or an incubator where you can find providers such as business consultants and law-yers with expertise in the startup field who can help you at this stage.









## **SCENARIO**





Estimated total time: 5h

Nurturing Entrepreneurship in Poland, Slovakia and the Czech Republic.

## Main goals: Participants...

- know the most important steps to take in order to open a business legally
- know how to prepare a business plan

MATERIALS	ESTIMATED TIME
	5 min.
	20 min.
20 sticks of spaghetti, 1 m of tape.	10 min.
1 m of string, a marshmallow for each	
team of up to 4 persons	
	20 sticks of spaghetti, 1 m of tape, 1 m of string,









	ACTION	MATERIALS	ESTIMATED TIME
4	Legal aspects  Description 1: Trainers flesh out the presentation from day 1, when the participants were given general information. During day 2, more country-specific information is provided on what steps must be taken in order to legalise a business there.	Presentation / handouts	90 min.
5	Business Plan (BP)  Description: Participants start with creating Mind Maps on what should be included in a BP. As the "trees" grow, trainers encourage the participants to think about as many aspects as possible. Later on, they will work on their business plan based on the Map (as homework).	Flipchart (a big piece of paper for each team), color markers	90 min.
6	SWOT analysis  Description: Trainers introduce or remind participants of the next tool - SWOT analysis. After preparing the business plan, teams reflect on the strengths, weaknesses, opportunities and threats for their business idea.  Conclusion: Teams present their analysis on posters. Other teams and trainers can add ideas/comments.	Flipchart, markers	60 min.







	ACTION	MATERIALS	ESTIMATED TIME
<ol> <li>1.</li> <li>2.</li> <li>3.</li> </ol>	mework  Filling in the BP template, according to the ideas from the Mind Map.  If there is not enough time, SWOT analysis may also be part of the homework.  (Plus - we remind the participants that the next CAMP will be about financing.)	Business plan templates printed for each team	5 min.

<sup>\*</sup> Although they are not specifically indicated here, please remember about (coffee) breaks, depending on your group's energy level.







## Start-up Your Idea.

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## CAMP 3

# How to finance a project

- 1. Financing options
- 2. Steps in requesting a loan
- 3. Useful documentation

#### INTRODUCTION

After having evaluated whether your idea is innovative, competitive and feasible, your project needs to be financed. Depending on your situation, there are various ways to raise money and finance your business idea. In this phase, we will show you what the most common options are for financing business, and what you need to know should you want to ask investors for money.











#### 1. Financing options

We can divide the financing options for a small business into:

- Equity financing: invested funds that stay in the business, often permanently. For small businesses, these funds usually come from the owner or from family savings.
- Debt financing: borrowed funds that are paid back. These funds have a cost, which is the interestthat must be paid to the lender.

If you need to borrow money, here are some places to look for business financing or to find out about local financing options:

#### **BANKS**

Start by gathering information from the bank you currently do business with, and find out what types of busi-ness financing it offers; make an appointment with your bank's lending officer to discuss products offered by the bank; if your bank is not active in small business lending, ask your accountant or other businessowners in your area for recommendations for other banks.

The most common solutions are business loans, lines of credit, equipment leasing loans, SBA-guaranteed loans and microloans (granted to people with little or no collateral).

#### REGIONAL LENDING ORGANISATIONS

Many are non-profit, community development organisations that have revolving loan programmes for business development in their region. To locate organisations in your area that can help you, search the internet for:

- Community Development Financing Institutions (CDFIs), providing capital to small businessand microbusiness owners on reasonable terms. In Poland, the Start In Poland programme encompasses funding support and assistance related to Polish legislation and the innovation ecosystem.
- Small Business Administration (SBA)
- Your city, county, state, or community economic development department









#### SOME "DOS AND DON'TS" FOR SMALL BUSINESS FINANCING:

- Invest your own money before you ask for equity or debt from other sources to show your commitment and your skill in running a successful business.
- Earn the right to borrow: you need to demonstrate your ability to manage debt well and run a profitable business.
- Show profitability: profits are what lenders or investors want to see.
- Be lean on fixed assets: these assets consume precious working capital, so whenever possible new business owners should buy as few fixed assets as possible.
- Match sources and uses of funds: finance current assets (accounts receivable and inventory) with current liabilities (line of credit or credit card) and fixed assets with long-term loans that match the useful life of the asset.

- Understand your financial statements (that we will see later) to discuss them intelligently with a lender.
- Be prepared to discuss collateral options:
   most loans require assets (collateral)
   pledged as security for a loan. In the
   event a borrower defaulting on a loan, the
   collateral may be sold.
- Understand the risks and costs of loan types: for example, while a credit card may be easy to use, credit-card financing may be a very expensive form of credit. In many cases a small business loan, guaranteed by the SBA, will be a better form of loan than a credit card.
- Shop around for the best loan.

#### 2. Useful documentation

Loan packages require a lot of preparation and documentation. Here are some documents that couldbe useful when you approach lenders and investors:

- Business plan (see in Camp 2), detailing how a business idea could turn into a profitable operation.
  It explains your costs and the strategy to be implemented in management and sales. Now is the
  time to present the main points of the project, to be confident, and to explain each portion
  in regard to the capital investment.
- Personal financial statements, showing your personal assets, liabilities, and net worth.
- Personal tax returns: lenders often ask for up to three years of past tax returns.
- Source and amount of equity contribution: loans usually require the business owner to contribute between 10 and 30 per cent of total project costs in cash or equity. Include a write-up documenting the amount and source of your equity contribution.







#### CAMP



- Credit report: lenders will order your credit report, so make sure you have addressed any creditissues that are contained in the report.
- Collateral: since lenders usually require collateral, include some collateral options in your application.
- Purchase agreements, appraisals, contracts, and estimates: include them to document costs that pertain to your project.
- Cash flow projection: can be required as part of the business loan application and used to seeif projected cash receipts (inflows) will be sufficient to cover projected cash disbursements (outflows). This tool can help you manage your cash, set sales goals, and plan for expenses

to support those sales.

Here is an example of a cash flow projection:

## Sample Cash Flow Projection

Sources of Cash	Opening Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Beginning Cash	balances	(8,785)	(5,512)	(1,287)	(9,302)	(3,927)	10,198	7,573	13,398	20,193	18,988	21,518	23,963
			-										
Cash Sales		4,800	5,700	6,600	8,400	18,000	9,000	9,000	9,000	6,600	5,400	5,100	4,800
Collections on A/R													
Interest income													
Loan Received													
Equity Contribution													
Total Cash Available	-	(3,985)	188	5,313	(902)	14,073	19,198	16,573	22,398	26,793	24,388	26,618	28,763
Operating Uses of Cash						-							
Contract labor	1,000	700	600	1,200	1,800	1,800	1,200	750	500	400	400	400	400
Wages	1,000	,,,,		1,200	1,000	1,000	1,200			100	100		700
Payroll Taxes			. ,										
Rent	500	500	500	500	500	500	500	500	500	500	500	500	500
Phone	250	125	125	125	125	125	125	125	125	125	125	125	125
Office Supplies	200	50	50	50	50	50	50	50	50	50	50	50	50
Utilities	200			- 00									- 00
Insurance	200	0 0		200			200			200			200
Licenses	200		à										
Marketing	450	152	200	150	50	600	40	250	30	175	95	180	100
Professional Fees													
			89 49										
Total Op Cash	2,800	1,527	1,475	2,225	2,525	3,075	2,115	1,675	1,205	1,450	1,170	1,255	1,375
Net Cash	(2,800)	(5,512)	(1,287)	3,088	(3,427)	10,998	17,083	14,898	21,193	25,343	23,218	25,363	27,388
Non Operating Uses of Cash													
Debt Service													
Capital Purchases													
Self Employment Taxes					500			500			500		
Owner's Draw						800	900	1,000	1,000	1,000	1,200	1,400	1,500
Inventory Purchases	5,985			12,390			8,610			5,355			
Ending Cash	(8,785)	(5,512)	(1,287)	(9,302)	(3,927)	10,198	7,573	13,398	20,193	18,988	21,518	23,963	25,888

#### Alluring the audience – PITCH DECK

If you want to prepare a presentation to illustrate your idea to investors or clients, and intrigue them, then consider preparing a Pitch deck. Like a classic PowerPoint presentation, it has around 10-20 slides that explain the story of the project, the idea, the business plan, the product/service, and expected growth andresults, etc. It can be structured as follows:

- Introduction: tell people who you are and why you are here
- Problem: present several problems that your product/service will address







#### **CAMP**



- Solution: present a solution
- Market size and opportunity: identify them with measurable numbers
- Product: present the product you would like to launch
- Traction: focus on the growth, major goals and financial objectives, and next steps of the business plan/idea
- Team: present your future/ current colleagues, your current/future office...
- Competition: explain to the investors/audience why your product/yourself/your idea is different from the others.
- Financial: show that you have the financial and legal knowledge to achieve your goals
- Investment and use of funds: explain to the investors why you chose them, why you need them, and how much you are looking for.

Imagine you bump into your potential investor in an elevator. You don't have your computer with you. So if you are given just a moment (around 90 seconds - the average duration of an elevator ride) to tell themabout your product, you can use the shorter Elevator pitch:

Remember: A pitch is a STORY of you and your business

- 1. Tagline a catchy/intriguing opening phrase
- 2. Problem a difficulty/need that people struggle with; talk about the emotions, let your audience feel the pain:) You can support the emotions with data and statistics to prove the importance of the problem
- Solution describe how to overcome the problem with your product/service and how you havetested it
- 4. Uniqueness Explain what makes your solution unique, and what makes it stand out from yourcompetitors and is going to make a profit
- 5. Vision show what you have achieved so far and what your plans are for the future
- 6. Team introduce your team (if you have one) and say why they are best for deliveringyour solution
- 7. Goal bring up what it is you are looking for from the person you are talking to (money,partnership etc.)











#### 3. Steps in requesting a loan

- a. Have a business plan ready, including a profit plan: the best way to get a loan is to have a solid plan for using the loan and repaying the debt.
- b. Know what you can afford: calculate the amount of funds you will need and the monthly loanpayment you will be able to make.
- c. Study your financial statements: you need to know what your statements say about your business; be prepared to discuss the details of your statements and explain any issues.
- d. Check your credit report: make sure it is accurate, fix any inaccuracies, and be prepared to explainany credit issues.
- e. Establish collateral options: a business's fixed assets are often used as loan collateral, but it is also common to use personal assets to collateralise a business loan.
- f. Show your equity contribution: lenders could require a cash contribution that can range from 10 to 30 per cent of the total project costs.
- g. Research your financing options: research many lenders and types of loan to ensure you obtain financing from credible sources.





## **SCENARIO**



Nurturing Entrepreneurship in Poland, Slovakia and the Czech Republic.

## CAMP 3 DAY 2

Main goals: Participants...

- know financing possibilities for their business
- are able to prepare a basic budget for the first months/year of their firm
- know how to pitch

Estimated total time: 5h **ESTIMATED MATERIALS ACTION** TIME 1 Introduction 5 min. Trainers present the day's schedule and put it in a visible place. 2 Integration 10 min. Warm-up exercise. For example Two truths, one lie. Participants walk around talking to different persons, telling them 2 truths and one lie about themselves. The listener's task is to detect the lie. 3 Homework outcome 30 min. Trainers ask the teams for their outcomes, observations, etc. 30 min. 4 Presentation/handouts Sources of financing Description 1: Trainers flesh out the presentation from day 1, when the participants were given general information. During day 2, more country-specific information is provided on what financing opportunities are available there.







#### CAMP 3 DAY 2



ACTION	MATERIALS	ESTIMATE TIME
Our budget	Big sheets of pa- per for each team	90 mi
Description. Writing down teams idea for answering specific questions: How much do we need at the start? What are our expenses? Where will we obtain the money from? When can we expect any profits? Etc. (trainers may also use some pre-prepared templates).	(budget template)	
Preparing a pitch deck	Flipchart, markers	120 mi
Description:		
<ul> <li>a. Introduction to the topic: we invite participants to pick up a card with a profession written on it (priest/pastor, sports commentator, comedian, etc.) Then we ask them to read a piece of unrelated text (from a newspaper for example) the way their chosen character would present it.</li> <li>b. we can use a storytelling exercise where everybody sits in a circle and the first person says one sentence, starting a story. The next person adds another sentence, and so on - until we finish the story. If somebody runs out of ideas, a neighbour may help.</li> <li>c. we recall the goals and elements of a good pitch. We can use a TED(x) speech or other example for inspiration. Then we invite the teams to start working on their own pitch (90 seconds).</li> </ul>		
Homework Improving the pitch and presenting it to 5-7 people, ask-		5 mi

\* Although they are not specifically indicated here, please remember about (coffee) breaks, depending on your group's energy level.

ing for their feedback. The teams will present the final

versions during Camp 4.









## Start-up Your Idea.

Nurturing Entrepreneurship in Poland, Slovakia and the Czech Republic.

## CAMP 4

## How to promote my business

- 1. Product and service development
- 2. Networking
- 3. Marketing

#### **INTRODUCTION**

The final step to making an effective start in your business is developing the product or service you want to sell and advertising it to reach your future clients. For both the development and the marketing phases there are some digital tools that can help your business start and grow.







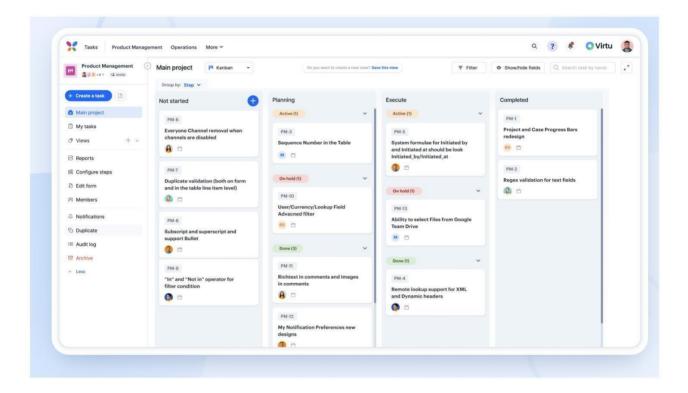




#### 1. Product/service development

While developing the product or service that your business wants to sell, consider some of the software listed below to help increase your team's productivity and avoid time wasting.

• Project management tools: these can be useful for planning, assigning tasks, setting deadlines and making sure that everyone sticks to them, and tracking the time spent. You can find many such tools online, with both free and paid options. *Example: Kissflow Project* 



- Communication: consider the best option for sharing information between employees within and
  outside your business. You can use traditional tools such as telephone or email, but also online
  tools that allow the usage of group chat, video conferencing, file sharing, document collaboration,
  e-learning, and more.
- Meeting calendars & scheduling: with the help of an online scheduling tool you can avoid time wasting, keep everyone in your team updated, and collaborate to respect deadlines. Some of these tools are integrated in other software, for example Google Calendar or Outlook Calendar, but if you have specific needs there are many other online tools!
- File storage: storing and syncing documents and media in the cloud lets you easily share with other people and access files from anywhere, but most importantly it allows you to restore them if something goes wrong. The most common such tools include Microsoft Onedrive, Google Drive, Dropbox and Apple iCloud, but there are many others. Choose the one most suitable for your situation!





### **CAMP**



- Creatives: if you need creative tools for your business, consider software like Canva, Adobe Photoshop, Apple Final Cut and others to design and create video and audio assets, such as podcasts.
- Marketing automation: you can also use technology in marketing, to make it simpler, quicker and more effective. A single platform manages every aspect of every campaign from the same place, including email and social media marketing, mobile messaging, and the ads themselves.
- Website creation: want to create a website? Building a website gives you complete control over the design and content, and this lends credibility to your business, organisation, or personal brand. You need an attractive and easy-to-navigate website! To create your professional-looking and design-forward website, look for an online website builder that makes the journey easier and more efficient.
- Website analytics: once you have created your website, you will want to keep track of how many
  visitors you have, their behavior and activity. Options to consider include Google Analytics and
  Adobe Analytics, while you can also use SEO tools to analyse the strengths, weaknesses and most
  searched words of your website, using the data gathered to improve your strategy.
- Customer Relationship Management (CRM): a CRM system can help you keep customer contact
  details up to date, track every customer interaction and manage customer accounts. These tools
  can help to improve relationships with clients and communication with them, also by taking
  account of their preferences, thereby avoiding the situation of just one employee knowing their
  situation and what they like.
- Accounting-Inventory-Finance: such software can help you manage accounting, inventory and
  finance activities. Based on your situation, look for a tool that allows you to avoid time wasting and
  helps you achieve the most efficient results. By using it, you can easily keep track of your current
  inventory or your finances, but also access records of sales and revenues, etc.

### 2. Networking

Networking means building up business contacts in a goal-oriented way that benefits all the people involved. With a strong network, you can gain valuable business contacts, extend the scope of your product or service, exchange ideas, or get feedback, etc. Networking is essential before implementing a project, but is also active and continuous interaction.

Where do you meet business contacts?

 At trade fairs, shows and industryspecific events









### **CAMP**



- At training sessions, seminars, meetings and conferences
- Through local or regional entrepreneurial networks
- At regular get-togethers
- On social networks (FB, Instagram, Linkedin, Xing)

How do you make networking work?

- 1. Define a goal
- 2. Insist on quality to establish good business contacts
- 3. Give and take: help a partner and ask for their help in return.
- 4. Be authentic
- 5. Remember it shouldn't be taken as a selling opportunity alone

### 3. Marketing

Marketing focuses on communication and consumer targeting to identify who the customer is.

A marketing strategy might consider the following points:

- a. Define the goal of the strategy, its time horizon, and the feasibility
- b. Define who the target buyers are in order to understand which is the most appropriate tool
- c. Create a clear message
- d. Distribute content through free promotional tools if possible. You do not need freebies or expensive advertising tools at this stage
- e. Promote yourself on social media they are powerful business tools that can help you reach a lot of potential customers, engage with them, build brand awareness and promote your products
- f. Cultivate reputation: ask customers for feedback and online reviews

The best approach is to mix different types of marketing strategy and use them appropriately:

### "IMAGE MARKETING"

Though useful in making your business recognisable, and in building up your brand as trustworthy, this strategy alone will not necessarily allure new customers. The best example is the so-called "morning television effect" - after appearing on TV and talking about the business, there is a noticeable increase in web visitors but there are very few (if any) who actually become clients.

Tools: Media appearance, adverts, leaflets, banners etc.









### "CONTACT MARKETING"

This embraces everything you do to keep those interested in your product or service close, eventually enabling you to build up a community around your business.

Tools: newsletter, groups on social media etc.

### "ACTIVE MARKETING"

This refers to every opportunity for a person to experience your service or product, thanks to which they can quickly become your client. For example, if you are a coach, then attending a trial session with you or watching your webinar will allow people to get to know you better and possibly choose to buy from you.

Be sensible in what tools will be suitable for your business. Not everybody needs Instagram or Facebook rolls and campaigns. Think where you can reach your potential clients, what their "natural habitat" is.





# **SCENARIO**



Slovakia and the Czech Republic.

# CAMP 4 DAY 2

Main goals: Participants...

- know the main principles of marketing and are able to assess what
  is necessary for their type of business in terms of marketing at the initial
  stage (and what only seems necessary)
- know the importance of networking and where to find the network
- know the basic (free) online tools that can improve/facilitate their work (shared in the presentation and handout)

Estimated total time: 5h

ACTION	MATERIALS	ESTIMATED TIME
Introduction		5 min.
Trainers present the day's schedule and put it in a visible place.		
Integration		10 min.
Warm-up exercise.		
For example one from the web page https://teambuilding.com/blog/networking-event-ideas		
Homework outcome	Colour paper, markers	30 min.
Trainers ask the teams for their outcomes, observations, etc.		
Participants may also present their elevator pitch.		











**ACTION** 

**MATERIALS** 

**ESTIMATED** TIME

#### 4 Networking

Exercise option 1: Mouse man\*

Participants form pairs (for example they need to find someone who has the missing part of their picture / same colour card / same animal name stuck on their back, etc.). Once the pairs are ready (person A and B), everyone is asked to remain silent till the end of the game. One trainer invites persons A to leave the common space, persons B remain in the room. In a separate room a trainer shows picture 1 to group A. At the same time the other trainer shows picture 2 to group B. The participants are required to look at the picture for 2-3 mins and try to memorise it, thinking of what it resembles to them - without talking. (It is also important to cover the text - picture 1, 2, 3 - so that participants can't see it.) After those 2-3 mins the participants re-join their partners and they sit next to each other. Each pair obtains one piece of paper (A4) and one pen/pencil to share. Now the trainer shows everybody picture 3 (for 1 minute) and asks the participants to grab the pen together (both partners) and without talking or communicating in any other way draw what they have just been shown.

As the partners are not aware that they had been shown slightly different pictures before, they tend to draw something more like a mouse or something looking more like a human face. The task is challenging as they cannot communicate.

Once the pairs have finished, we collect all the drawings and put them together in a visible place. We ask the participants questions about how they found the task, what is actually shown in their pictures, and whether it is exactly what each of them intended to draw.

Pictures 1, 2 and 3 of a mouse and a man

40 min.









ACTION

**MATERIALS** 

ESTIMATED TIME

This exercise may result in many conclusions, but for the purpose of our topic we can underline when summing up that we may often look at the same thing but see something different. During the exercise the participants are "conditioned" by the picture they are shown while separated. In real life entrepreneurs are also influenced by many different aspects that allow or restrict them from spotting business opportunities or threats. That is why networking is important and enables a broader perspective on everyday challenges that entrepreneurs need to face.

\*the bigger the group the better - it is good to have at least 3-4 working pairs. If there are not enough participants the exercise can be done individually instead of in pairs.

### Exercise option 2: Bingo / Scavenger hunt

Participants are given a table containing several questions. Their task is to find a person who can do specific things or have a specific item, etc. (Find someone who...) The chart can also be left blank and we can ask the participants to write down the skills or knowledge relevant or needed for them at the time (this can be done in a more or less serious manner), for example: Who has a van? Who can edit a short film? Who is a handyman? etc. So everybody may have the same chart or they may be different.

The first person to fill in the table with names supposed to shout Bingo!

When inviting the participants to play the game we tend to encourage them to look in their surroundings for the resources they need. They may be surprised by the skills, hobbies or abilities that people may have, and they may also become emboldened to ask for the support they need in more matters of varying seriousness concerning their businesses.

A bingo/ scavenger hunt table

40 min.









ACTION	MATERIALS	ESTIMATED TIME
Team work  Participants search in small groups or individually for net working opportunities in their area (online and offline) who, when and where gather to discuss and share view on a certain business area.	to add something	30 min.
At the end the participants share their findings.		

6 Marketing 15 min.

Discussion: what have you already done in terms of advertising your business idea or what should be the first steps in your opinion? What is necessary in the initial stage of running a business (and what is not)?

The participants can talk first in pairs, then the pairs can gather in groups of four or start sharing opinions via open discussion.

The main goal is to make people realise that not all marketing tools will be necessary or effective in the first stage. It is good not to be allured by marketing offers (especially those not for free) if the tool has not been thought through and targeted precisely to a specific customer group.

Marketing – Exercise 1 60 min.

We divide the group into 4 smaller teams. 2 teams will be the owners of an online business - online shops for clients interested in handcrafts, DIY, etc. The other 2 teams are the owners of a brick-and-mortar business (ecological car wash). Each team is to plan a marketing strategy for their newly opened business. For this purpose they have 5000 zł (about 2000 Euro). At the end we collect all the ideas on a flipchart and together we choose the 2 best marketing ideas for businesses online and offline.







ACTION MATERIALS ESTIMATED TIME

Marketing - Exercise 2

60 min.

Participants work individually on their own (potential) marketing strategy BUT assuming they have NO budget.

In the summing up we can add the following to their proposals (if needed):

- Google page
- LinkedIn
- collaboration with other entrepreneurs
- video (educational/problem solving)
- networking
  - organising a thematic meeting for a specific group of customersor entrepreneurs
- public speaking (conferences, meetings, etc.)
- putting stickers on your car :)
- •

The main goal of this exercise is to underline the thought that, unfortunately, even the greatest and most creative idea is worth nothing if we cannot sell it. And for that we need money = zero-cost marketing is very difficult nowadays.





<sup>\*</sup> Although they are not specifically indicated here, please remember about (coffee) breaks, depending on your group's energy level.



# Bingo chart

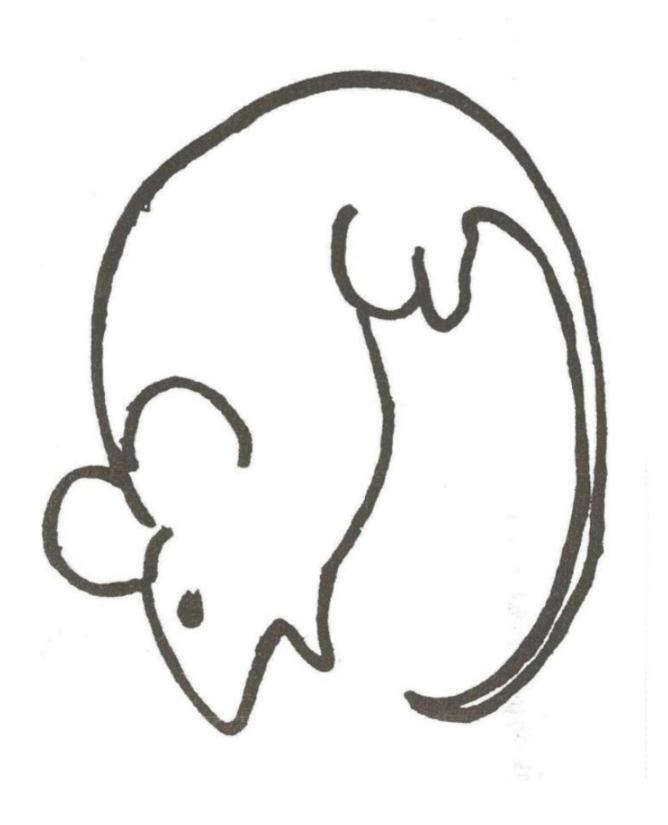
## Find someone who...

**SCENARIO** 

1. has a big car (a van or a truck)	2. knows how to edit a short video	3. can speak (French)
4. is interested in fashion	5. knows someone from the tax office;)	6. has some experience in applying for a grant
7. is a handyman	8.	9.







Picture 1





